



Daily Report

China

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General

Cargo Ship 'Yinhe' Leaves Saudi Arabia for UAE

OW0709021993 Beijing XINHUA in English 0204
GMT 7 Sep 93

[Text] Riyadh, September 6 (XINHUA)—The Chinese "Yinhe" cargo ship left Damman Port, Saudi Arabia, today for Dubai, the United Arab Emirates, to unload its cargo, after an inspection proved groundless the U.S. accusation that the ship was carrying banned chemicals.

As of July 23, the United States had accused the "Yinhe" of carrying chemical weapon precursors, thioglycol and thionyl chloride, bound for Iran. U.S. warships subsequently tailed the Chinese ship on the high seas and its military aircraft took aerial photos of the ship, interrupting the ship's normal navigation.

Since August 2, the "Yinhe" had been forced to drift on the high seas for 24 days, inflicting much suffering to the crew. The ship had to change its course and delay its unloading schedule and this caused heavy economic losses to the Chinese side.

From August 26 to September 4, representatives from Saudi Arabia and China and those from the United States, as technical advisers to the Saudi side, conducted an inspection of the ship in Damman.

The results of the exhaustive inspection showed that the Chinese ship did not carry at all thioglycol and thionyl chloride. The representatives of the three sides signed the inspection report and confirmed the results.

PRC Inspection Team Departs for Home

OW0709145993 Beijing XINHUA in English 1454
GMT 7 Sep 93

[Text] Riyadh, September 7 (XINHUA)—The Chinese inspection team which together with Saudi Government representatives clarified the fact that the cargo ship "Yin He" was not carrying banned chemicals as alleged by the United States, left here for home today.

The team, led by Sha Zukang, deputy director of the Department of International Organisations and Conference of the Foreign Ministry, arrived at Damman Port, Saudi Arabia, on August 26 to carry out inspections on the Chinese ship together with representatives from the Saudi Government.

A thorough inspection of all the cargos on the ship has shown that none of the chemicals thioglycol and thionyl chloride was found to be on board as alleged by the United States.

The representatives from China and Saudi Arabia, together with U.S. advisers to the Saudi team, signed a report on the result of the inspection on September 4.

The Chinese team is scheduled to make a stopover in the United Arab Emirates on their way home. They left Damman Port on Sunday for the Saudi capital of Riyadh.

Comment on, Reaction to 'Yinhe' Issue Continue

CPPCC Forum 'Strongly' Condemns U.S.

OW0809043593 Beijing XINHUA Domestic Service in Chinese 1230 GMT 7 Sep 93

[By Central People's Broadcasting Station correspondent Liu Zhenying (0491 2182 5391) and XINHUA reporter Zheng Qingdong (6774 1987 2639)]

[Text] Beijing, 7 Sep (XINHUA)—The National Committee of the Chinese People's Political Consultative Conference (CPPCC) today held a forum on the Yinhe incident created by the United States. Participants from the various democratic parties, responsible persons from the All-China Federation of Industry and Commerce, and figures without party affiliation strongly condemned the hegemony and power politics demonstrated by the United States, expressed firm support for the statement issued by the Chinese Government, vehemently demanded that the United States immediately undo the adverse repercussions caused by the Yinhe incident, make a public apology to the Chinese side, pay compensation for all the economic losses sustained by China, and ensure that similar incidents do not recur.

Participants from the various circles in the forum pointed out: The United States blatantly trampled on the norms of international law, put up various unjustifiable obstacles to the navigation of the Yinhe, thereby causing the Yinhe to suffer hefty losses, and seriously impaired China's international prestige. Despite repeated statements by the Chinese authorities concerned that the Yinhe was carrying normal export cargo without any materials for making chemical weapons, the U.S. side, however, which was bent on having its own way, disregarded China's solemn statements, which was a stark exposure of the true nature of hegemony. To clarify the truth of the matter, the Chinese Government consented to carry out an inspection jointly with the Saudi side, with U.S. personnel acting as technical consultants for the Saudi side during the inspection. In the course of the inspection, the U.S. side constantly raised all kinds of difficulties and deliberately complicated the issue. However, all these have proved to be but futile efforts. Now that the investigation's results have been made public, the whole truth has come to light to the world, and the U.S. side could not but admit that the Yinhe was not carrying any materials for making chemical weapons. The United States virtually lifted a rock only to have it dropped on its own feet, thus making itself lose face before the people of the world. If the U.S. Government still has any consideration for international good faith, it should openly apologize to China, compensate it for its losses, and guarantee that there will be no further recurrences of similar incidents.

Participants in the meeting pointed out: In recent years, the United States has acted like the overlord of the world, played the role of international policeman, and wantonly interfered in the internal affairs of other nations under the pretense of democracy and human rights. The Yinhe incident is but one example. The acts and deeds of the United States have continually met with opposition from various sovereign states and the denunciation of the people of the world. The Yinhe incident has naturally aroused the indignation of the Chinese people and earned the sympathy and support of all our justice-upholding friends all over the world. Participants said that any acts of hegemony and power politics will not prevail over the 1.1 billion Chinese people, who have risen up.

Participants pointed out: The Chinese Government and people have all along attached importance to Sino-U.S. relations and are willing to maintain and develop friendly relations with the American people. Chinese leaders have time and time again pointed out that China and the United States should enhance their mutual trust, strive to lessen problems, develop cooperation, and should not engage themselves in confrontation. Nevertheless, whoever attempts to infringe on China's sovereignty and undermine China's dignity, the Chinese people will never tolerate it. The U.S. side should adopt new ways, discard hegemony and power politics, and undertake to abide by international law and the norms governing international relations in future international contacts.

Today's forum was presided over by Qian Zhengying, CPPCC Central Committee vice chairman. Participants who spoke in succession at the meeting were: Li Ganliu, vice chairman of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang; Chen Mingshao, vice chairman of the Central Committee of the Jiusan Society; Feng Zhijun, vice chairman of the Central Committee of the China Democratic League; Wan Guoquan, vice chairman of the Central Committee of the China Democratic National Construction; Fang Rongxin, vice chairman of the Central Committee of the Chinese Peasants and Workers Democratic Party; non-party democratic figure Zhang Qia; Ge Zhicheng, vice chairman of the Central Committee of the China Association for Promoting Democracy; Luo Haocai, vice chairman of the Central Committee of the China Zhi Gong Dang; Sun Fuling, vice chairman of the CPPCC National Committee and vice chairman of the All-China Federation of Industry and Commerce; and Pan Yuanjing, secretary general of the Taiwan Democratic Self-Government League.

CPPCC Participants Discuss Incident

OW0709153093 Beijing XINHUA in English 1515 GMT 7 Sep 93

[Text] Beijing, September 7 (XINHUA)—Members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) today strongly denounced the United States for its hegemonistic acts in the "Yinhe" ship incident.

They demanded at a forum that the U.S. Government should apologize openly to China and compensate the country for the losses it suffered.

Qian Zhengying, vice chairman of the CPPCC National Committee, presided over the forum, which was attended by leading officials of various non-communist parties in China, persons without party affiliation, and officials of the CPPCC National Committee's Foreign Affairs Committee.

Participants in the forum pointed out that the truth of the "Yinhe" ship incident, which began on July 23, has come to light.

An examination report signed by representatives of the Chinese and Saudi Arabian Governments, as well as by U.S. Government experts working as advisors to the Saudi Arabian side, proved that the ship did not carry the two kinds of chemicals alleged by the American side, they said.

That has laid bare the monstrous lie spread by the United States, they said.

"Facts have demonstrated that China means what it says," one participant said.

A leading official of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang said that the "Yinhe" incident was created entirely by the United States.

He added that under the pretext of erroneous information, the U.S. spread the allegation that the Chinese ship carried materials for making chemical weapons and put up unjustifiable barriers to the ship's normal sailing.

"After the Chinese Government issued a solemn statement, the U.S. was still bent on going its own way, thus bringing enormous losses to the Chinese vessel and seriously damaging China's reputation in the world," he said.

These erroneous acts not only revealed the true nature of hegemonism of the U.S. Government, but also made it lose face before the people the world over, he said. "So I should say the U.S. Government lifted a rock only for it to fall on its own feet," he said.

Participants agreed that the U.S. now acts as the overlord of the world, plays the role of international policeman and wantonly interferes in internal affairs of other countries. "The 'Yinhe' incident is merely an example of America's hegemonistic acts," one said.

A leading official of the Central Committee of the Jiu San (September 3) Society said that acting as the overlord of the world, the U.S. tries to impose its own concepts of value on other countries.

"If the U.S. is bent on having its own way, there will be no benefit to the U.S. itself, to Sino-U.S. relations or the peace and stability in the whole world," he warned.

A leading official of the Central Committee of the China Democratic National Construction Association said that in the "Yinhe" incident, the U.S. Government dispatched warships and military aircraft to harass the Chinese vessel, seriously infringing China's sovereignty and its freedom to sail on the open sea.

"The acts of the U.S. Government violated international law and norms governing international relations," he noted.

Participants emphasized that the Chinese Government and people have always attached importance to Sino-U.S. friendship, and have proposed time and again that the two countries should enhance trust, reduce troubles, promote cooperation and not pursue confrontation.

If the U.S. side is willing to enhance bilateral relations, it should mend its ways by acting seriously in accordance with the three Sino-U.S. joint communiques, they said.

Pakistan Condemns U.S. Action

OW0709170393 Beijing XINHUA in English 1558
GMT 7 Sep 93

[Text] Islamabad, September 7 (XINHUA)—Pakistan today condemned the harassment of Chinese "Yinhe" ship by U.S. Forces, saying it is a regrettable and unjustifiable incident.

Expressing deep concern over the matter, a foreign office spokesman said here that harassment of the "Yinhe" ship, obstruction of its passage to the destination and insistence on the search of its cargo involved multiple violation of the international law.

The inspection of the cargo exposed the baselessness of allegation that the ship was carrying chemicals to be used for its production of weapons and led to the conclusion that the U.S. intelligence information was not reliable, said the spokesman.

He said the principle of the freedom of the sea does not permit interference with the ships in international waters, nor does law allow any state to resort to unilateral action on the basis of suspicion in regard to the nature of cargo.

The spokesman expressed profound sympathy with China and the crew of the "Yinhe" who were subjected to prolonged inconvenience.

The government of Pakistan compliments the government of China for the restraint it showed in the incident, he added.

He also pointed out that it is on the basis of similarly incorrect information that the U.S. Government last month imposed unjustified sanctions against China and Pakistan alleging transfer of prohibited missile related technology exceeding MTCR [Missile Technology Control Regime] criteria.

Iran Criticizes U.S. Over Issue

OW0809063293 Beijing XINHUA in English 0626
GMT 8 Sep 93

[Text] Tehran, September 8 (XINHUA)—Iran has called on the international community to take necessary measures against the illegal actions of the United States such as inspection of the Chinese freighter "Yinhe," radio Tehran reported today.

The call was made by a spokesman for the Iranian Foreign Ministry Tuesday.

Last month, the United States claimed that the Chinese cargo ship "Yinhe" was carrying chemical weapon materials for Iran and demanded inspection. But the final inspection proved that the U.S. claim was baseless.

Such baseless claims of the U.S. endangered the security of sea trade, the spokesman said, adding that the U.S. openly violated the freedom of navigation in the international sea and defied the international laws by raising such baseless claims.

Referring to the delay of delivery of Iranian cargo because of the U.S. demand for inspection, the spokesman said that China as the owner of the freighter would take legal action.

The Iranian Government would support those Iranian institutions, which suffered losses from the issue, to raise protest to the U.S. action, he added.

More on Iranian Press Comment

OW0709050893 Beijing XINHUA in English 0258
GMT 7 Sep 93

[Text] Tehran, September 6 (XINHUA)—Iranian Parliament Speaker Nateq-Nuri has denounced the United States for interrupting the normal navigation of the "Yinhe," a Chinese cargo ship.

"KAYHAN-UNIVERSE," A leading Iranian official newspaper, today quoted Nateq-Nuri as saying in a speech Saturday at Iman Sadeg University that the U.S. behavior was aimed at forcing other countries in the world to follow it.

Washington had accused the Chinese ship of carrying chemical weapon precursors, thiodiglycol and thionyl chloride, to Iran. The United States took actions as having the ship on the high seas followed by its warships and taken aerial photos of by its military aircraft, which interrupted the ship's normal navigation.

However, the results of an inspection showed that the ship was not carrying the two banned chemicals as alleged by the United States.

Meanwhile, "THE ISLAMIC REPUBLIC," another Iranian newspaper, today also denounced the U.S. conduct as "piracy."

In a commentary, the paper said the U.S. Navy had interrupted the normal navigation of other countries' cargo ships on the high seas twice recently which "ended up in Washington losing its face."

It urged all independent countries to take serious measures against such acts of hegemonism and blackmail.

Under the pretext of creating a "new world order," the U.S. Government is trying to place itself above other nations, the commentary noted.

Asian Newspapers on Incident

OW0709061593 Beijing XINHUA Domestic Service in Chinese 1236 GMT 6 Sep 93

[Text] Beijing, 6 Sep (XINHUA)—Some Asian and regional newspapers carried articles and commentaries today on the Yinhe incident, criticizing U.S. hegemonism and acts that hurt Sino-U.S. relationship.

Malaysia's NANYANG SIANG PAO carries a commentary noting that "more and more signs show that the United States has acted willfully and even gone to the length of resorting to the means of a frame-up against China in the so-called issue of 'arms proliferation.' A recent case in point was the Yinhe incident."

The commentary said that iron-clad facts show that China spoke the truth while the United States had framed China up. Now, the United States, chastened, keeps mum about the incident. Why did it refuse to make a public apology to China? Why did it express nothing about compensating the owner of the Yinhe freighter and to shippers of goods for all the losses incurred? Where is its "moral courage?" and where is its "commonly acknowledged truth" and "justice?"

The commentary said that "the U.S. move, borrowing the words of U.S. newspapers, not only did not help it 'win friends,' but produced 'opposite effects.'"

The Indian newspaper THE HINDU carried a dispatch by its reporter in Bahrain, saying the United States looked for its own humiliation through the Yinhe incident. The self-appointed "world chief justice" intentionally created incidents. When proved wrong, it refused to accept the deserved punishment, thus showing its extreme arrogance.

SINGAPORE LIENHE ZAOBAO carries an editorial, criticizing U.S. for fabricating the Yinhe incident and for hurting Sino-U.S. relationships.

The editorial, entitled "The Whole Truth of the Yinhe Incident Comes to Light," said that among the people in the U.S. administration and Congress "there exist forces that do not want to see a smooth development of the Sino-U.S. relationship; they pounce on every chance to create troubles for the Sino-U.S. relationship."

Hong Kong TA KUNG PAO carried a commentary, pointing out that the whole truth of the Yinhe incident, fabricated by the United States, has finally come to light.

Statements issued and remarks made by U.S. authorities prior to that were all built upon the lies they fabricated, which have become the butt of jokes in the world and the absolutely wonderful negative lessons in the history of international relations. The commentary said it was not the first time that the United States wantonly interfered in China's affairs or even adopted the so-called "sanction measures" on the basis of lies. The reason behind it is it considers itself "the world's freedom leader" and it imposes its will on others. It placed itself in direct confrontation with other countries; and it became a force that undermines normal international order.

MING PAO said the demands made on the United States in the Chinese Foreign Ministry's statement were all reasonable. Since the United States made a mistake, it must admit it, make promise that it will not commit the same kind of mistake again, and hold itself completely responsible for all losses it had caused.

In a signed article, Hong Kong's XIN PAO said the whole truth of the Yinhe incident has come to light. The United States wronged China. But it explained the incident away as an "unfortunate" incident. It was a hegemonistic behavior in the political sense.

In a commentary, Macao's DAZHONG PAO pointed out that the Yinhe incident clearly showed that the United States still practices power politics and hegemonism up to this day.

The commentary said as the rude and unreasonable act of the United States has caused great losses to China, "it is natural and reasonable for China to make demands on the United States to apologize and pay compensation."

Pacific Rim Forum Opens in Bali; PRC Represented

OW0509125393 Beijing XINHUA in English 1245 GMT 5 Sep 93

[Text] Bali, Indonesia, September 5 (XINHUA)—The Pacific Rim Forum was officially opened in the international convention center of Bali, Indonesia, today.

Madame Sukmawati Widjaja, vice chairman and chief executive officer of the Sinar Mas Group, Indonesia, the sponsor of the forum, declared official opening of the forum which was attended by about 600 delegates from Asian and Pacific countries and regions.

A Chinese four-member delegation is attending the forum.

The Pacific rim forum has emerged as the region's major platform for the commercial, political and opinion leaders of the Asia/Pacific region. Its specific focus is on the emerging issues and trends of strategic corporate significance for the major international and regional companies operating in and around the world's fastest growing region.

The prime objectives of the Pacific Rim Forum are: first, to identify and establish the region's most timely and relevant agenda and to address it via the region's most respected and authoritative sources secondly, to provide an accurate and timely focus on the important changes and trends in the region in order to assist senior business policy makers to better understand their strategic implications thirdly, to create unique corporate networking opportunities to further stimulate personal contacts and facilitate and enhance wider regional relationships fourthly, to further encourage economic cooperation, mutual understanding, trade and investment within the Asia/Pacific region.

The Pacific Rim Forum is to be held every 12 to 18 months with each event located in a different city within the Asia-Pacific region. The next forum is tentatively scheduled to be held in the People's Republic of China in 1994.

Forum Plays Zhu Rongji's Taped Address

OW0809102893 Beijing XINHUA Domestic Service in Chinese 1418 GMT 7 Sep 93

[By correspondents Zhao Xinkao (6392 2450 5072) and Liu Ruiping (0491 3843 1627)]

[Text] Bali (Indonesia), 7 Sep (XINHUA)—The Third Session of the Pacific Rim Forum held in the International Convention Center in Bali, Indonesia, played a videotape of Chinese Vice Premier Zhu Rongji's speech during the session today. It was warmly welcomed by over 600 people attending the conference.

In his speech, entitled "China in the Pacific Century," Zhu Rongji thanked forum Chairman Alan Carroll for giving him an opportunity to deliver a televised speech to the session and wished the session complete success.

Zhu Rongji pointed out: "The Pacific rim region is generally considered the part of the world with the most promise for vigorous growth in the 21st century. Since the beginning of the 1990's, while developed countries, whose GNP accounts for more than two-thirds of the world's total, experienced sluggish economic recovery, and while some countries' economies slowed down by a large margin and were in chaos, and while most developed countries got bogged down in economic difficulties, the Asian-Pacific Region and some Southeast Asian countries in particular continued to maintain a lead in economic growth. The phenomenon attracted the general attention of the international community's political, business, and academic circles."

He said: "China, which is located on the Pacific rim, entered a phase of high-speed economic development in the past decade. China has achieved an average growth rate of 8 percent in its GNP since 1979, as the Chinese people demonstrated tremendous enthusiasm under the leadership of Deng Xiaoping, the great architect of reform and opening to the outside world. China's GNP in 1992 increased 230 percent from the 1978 level. In the

spring of last year, after Deng Xiaoping delivered an important speech that showed great foresight, a new upsurge appeared in China's reform, opening up, and economic development. The growth rate of China's GNP reached 13 percent in 1992, and nearly 14 percent in the first half of this year. It is estimated to reach 13 percent for 1993. The tremendous potential and broad prospects offered by China's economy are attracting investors and entrepreneurs from all over the world. Some statesmen with foresight are attaching increased importance to the development of relations with China."

Zhu Rongji said: During China's economic construction in the past six months, there was excessively rapid growth in the scale of investment; financial order was comparatively chaotic; the pressure of inflation was gradually building up; and disequilibrium among different areas in terms of economic development worsened. He said: "Fundamentally speaking, these were brought about by friction between the old and the new systems and their impact, and by the fact that defects in the old system have not been eliminated and the new system's role has not been brought into play. The only way to solve these problems is to accelerate reform of the economic system. All the measures now being taken by the Chinese Government, which are conducive to establishing a socialist market economy, are to prevent large fluctuations in national economic development in order to create a more favorable environment for reform and opening to the outside world."

Zhu Rongji said: "The next five years will be a crucial period for China's economic restructuring. We are now quickening our pace in all fields of endeavor and striving to establish an initial new system for the socialist market economy in the 1990's. Of course, the transition from a planned to a market economy is a complicated and difficult process. Establishing a market economic system in a socialist country has never been attempted before. In carrying out economic restructuring, we have faced not only resistance from the traditional planned system, but also obstacles posed by all the unreasonable vested interests. It is an undertaking full of challenge and hope. We shall continue to press forward with indomitable will along the road of reform and opening to the outside world for the sake of the nation's rejuvenation and prosperity."

After briefing the attendees on China's plan for accelerating banking, financial, and investment reform, Zhu Rongji said he was full of confidence for China's economic development prospects, because the basic factor supporting China's high economic growth rate in the past decade or so would not change. He said: "We have reason to believe that China's economy will still be capable of strong growth for a relatively long period of time, under the correct guidance of the collective leadership with President Jiang Zemin as the core."

Touching on international issues, Zhu Rongji said: "Drastic and profound changes rarely seen since World War II have taken place in the international situation in

recent years. The tense confrontation between the two major military blocs no longer exists. The tendency toward a multipolar world continues to develop. Most of the former regional hot points have achieved detente, and international disarmament talks have made new progress. It is possible to gain a peaceful international environment for a comparatively long period of time. All countries are accelerating readjustments to their domestic and foreign policies, and it has become the main trend of the times for all countries to promote their own economic development. The Pacific rim region has enjoyed vigorous development of economic cooperation and trade at various levels and has maintained strong economic growth momentum; however, we must be aware that certain hot points left over from the Cold War remain unresolved, and some new regional hot points have erupted. The world is not peaceful. Power politics and hegemonism have always been the major obstacles to world peace and development. Various forces are reorganizing themselves; new contradictions are interwoven with the old ones; and regional turmoil has become even more conspicuous. The role played by economic factors in international relationships has strengthened, and protectionism has escalated. Great disequilibrium exists among different parts of the world in economic development, and the gap between the South and North keeps widening."

Zhu Rongji reiterated: "The Chinese Government steadfastly upholds an independent foreign policy of peace amid the changing international situation. The purpose of China's foreign policy is to maintain world peace and promote common development to create a favorable international environment for reform, opening to the outside world, and modernization. China represents a staunch force upholding world peace and stability. We have not entered into alliance with any country or group of countries, and we will not join any military bloc. We have always been opposed to hegemonism and power politics, and we will never seek hegemony or expansion."

Finally, Zhu Rongji said: "Establishing and developing friendly relations and cooperation with every other country in the world on the basis of the Five Principles of Peaceful Coexistence is the basic principle of China's foreign policy. China pursues a policy of good-neighborliness and attaches importance to maintaining long-term stability and mutually beneficial cooperation in the Pacific rim region. Whatever changes may occur in the international situation, we will, as always, support the Third World in safeguarding their independence and sovereignty and in seeking appropriate rights to develop their economies. China shares a wide range of common interests with Western countries, and they strongly complement each other economically. We welcome investors and entrepreneurs from all countries in the world to invest and do business in China. We hope to further restore and develop relations with Western countries on the basis of mutual respect, seeking common ground while reserving differences, noninterference in each other's internal affairs, equality, and mutual benefit. As

a member of the UN Security Council, China bears special responsibility for world peace and development. China will continue to work with the international community in striving to promote a political solution for regional conflicts and international disputes, advance the process of disarmament and arms control in the world, seek economic development in all countries, and strengthen useful cooperation in fields such as environmental protection and human rights."

Noted figures from political and economic circles in the Asian-Pacific region attended the forum, as well as Wang Baosen, executive vice mayor of Beijing Municipality.

The Pacific Rim Forum was founded in 1991 and has its secretariat in Australia. The main purpose of the forum is to provide leaders from the Asian-Pacific region with an economic and political forum and to create opportunities for exchanges among the region's political, commercial, and academic circles. The Pacific Rim Forum has so far held two sessions. The main theme of discussion of the current session is "the development strategy for the Asian-Pacific region in the 21st century."

Zhu Among Few With 'Hands-on Experience'

OW0709120893 Beijing XINHUA in English 1153
GMT 7 Sep 93

[Text] Bali, Indonesia, September 7 (XINHUA)—Pei-yuan Chia, senior executive vice president, Citibank, U.S.A., the 13th session chairman of the 1993 Pacific Rim Forum, spoke highly of Chinese Vice Premier Zhu Rongji's taped transmission speech at the forum here today.

In terms of moving from a central planned economy to a market-oriented one, no country ever came so far, so fast or so successfully as China, Pei-yuan Chia observed.

Speaking on the session's theme "Awaiting the Dragon: China in the Pacific Century", he argued: "We don't have to await the dragon any longer, the dragon is already here."

He pointed out that China is now the fastest-growing economy in Asia, adding that China's continued economic success is thus vital to preserving and promoting Asia's growth and prosperity.

Introducing Vice Premier Zhu to the audience, Chia said that "he is one of the very few politicians in China with hands-on experience in dealing with tough economic issues."

"As a banker," he said, "I found the prospects of China's economic reform most encouraging."

"The participants were enthusiastic about the potential and opportunities offered by China as the country moves from a planned, to a market economy," Chia said.

Chia said in conclusion that "it is everyone's interest to see China further integrated with the world economy."

Views Accelerating Economic Reform

OW0709190193 Beijing XINHUA in English 1844
GMT 7 Sep 93

[Text] Bali, Indonesia, September 7 (XINHUA)—Chinese Vice Premier Zhu Rongji said today that China will speed up its on-going economic reforms and strive to ensure that a new socialist market economic system begins to take shape by the end of this decade.

In a taped transmission speech to the 1993 Pacific Rim Forum here, Zhu said China, one of the fastest growing Pacific rim countries, had accelerated its economic activity substantially since it began the policy of reform and opening more than ten years ago.

He said that Deng Xiaoping, the chief architect of China's policy of reform and opening up, reinforced his position on reform in the spring of last year and triggered a new level of reform and a new high level of economic growth in China.

The growth rate of China's gross national product [GNP] reached 13 percent in 1992 and nearly 14 percent in the first half of this year, Zhu said. It is likely to be around 13 percent for the whole year, he estimated.

Addressing some 600 noted personages at the four-day meeting which began on Sunday [3 September], Zhu said the tremendous potential and broad ranging opportunities offered by the Chinese economy were not going unnoticed.

Investors and businessmen were being attracted from all over the world and statesmen with vision were attaching increased importance to the development of relations with China, he noted.

However, Zhu stated, in the first half of this year there was an excessive increase in the scale of investment, confusion of financial order and high inflation as well as an expansion of development gap between various regions.

Fundamentally, Zhu explained, this was because the country was now in transition and some of the defects of the old system had not been eliminated, while some aspects of the new order have yet to be fully implemented.

There is, however, no question of China slowing down its reform because of these problems, Zhu said. "The only way to step forward is by accelerating economic reform and restructuring," he stressed.

To establish a socialist market economy in the country, he said, the Chinese Government was now taking every measure to avoid a big fluctuation in its national economic development so as to create a more advantageous environment for reform and opening to the outside world.

The next five years were crucial, he said. "we are now accelerating steps in various fields and striving to establish our new socialist market economic structure on an initial basis within the 1990s," he said.

Zhu believed that the transition from a planned to a market economy was a difficult process and there was no model to follow. However, he said, "our commitment to the process of change is unswerving. We look upon it as an essential element in the rejuvenation of the nation and in ushering in an era of increasing prosperity in our country."

After briefing the audience on the plan for accelerating reforms in the banking, financial and investment sectors, Zhu said he was confident the reform drive will succeed although the implementation of all of these reforms will not be easy.

He added that he was equally confident about the prospects of China's economic development because the basic factors that had guaranteed rapid economic growth over the past ten years would not change.

"We are confident that with appropriate guidance from the collective leadership, with president Jiang Zemin at its core, China's economy will maintain a strong growth posture for a long time to come," Zhu noted.

On the economic development in the region, Zhu said the Asia-Pacific Rim was widely regarded as the part of the world that held the most promise for growth in the 21st century.

Since the beginning of this decade, he said, this region and some parts of Southeast Asia in particular, had been setting the pace for world economic growth while many developed countries, whose GNP accounts for two-thirds of the world's total, had been experiencing sluggish or no growth at all.

As a trend of the times, he said, all countries were readjusting their domestic and foreign policies at an accelerated pace to rejuvenate their economies. In the Asia-Pacific region in particular, economic cooperation and trade are fast evolving and strong growth has been maintained.

Power politics and hegemonism remain as major obstacles to world peace and development, he stressed.

Zhu reiterated that the Chinese Government will unswervingly pursue an independent foreign policy of peace. The goal of this policy was to maintain world peace, promote common progress and create a favorable international environment for China's reform, opening up and modernization.

He stressed that as a strong force making for world peace and stability, China would never enter into alliance with any country or group of countries, nor would it join any military bloc. "We have all along been opposed to hegemonism and power politics and we will never seek hegemony or engage in expansion," he said.

Referring to China's relations with other countries, Zhu said, it was a cornerstone of his country's foreign policy to establish and develop friendly relations and cooperation with all countries on the basis of the five principles of peaceful coexistence.

Pursuing a policy of good-neighborliness, China attaches importance to long-term stability and to mutually-beneficial cooperation in the Asia-Pacific region, he said.

Zhu said there existed extensive common interests and a high degree of economic complementarity between China and the Western countries. China extended a welcoming hand to investors and to business people from all over the world to come for investment and trade. "We hope to further restore and develop relations with Western countries," he added.

"People throughout the world should keep up their great efforts and the Pacific Rim countries and regions in particular should make an even greater contribution to peace and development in our region and in the world at large," Zhu said.

PRC, Japan, Russia Hold TV Cooperation Meeting

SK0709082593 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 5 Sep 93

[Text] The meeting on the television cooperation of China, Japan, and Russia concluded in Harbin on 5 September. At the meeting, the three countries unanimously agreed to continue their regular mutual visits, program exchanges, technological cooperation, development of television tertiary industry, and expansion of the ties of northeast Asia's radio and television organizations. The Harbin Declaration was signed by six television stations of China, Japan, and Russia at the meeting. Attending the ceremony to sign the declaration were the Economic Television Broadcasting Network of Japan; the Khabarovsk Far East Radio and Television Company, Vladivostok Pacific Radio and Television Company, and Sakhalin Radio and Television Company of Russia; and the Heilongjiang Television Station.

Yang Guanghong, Standing Committee member of the provincial party committee and director of its propaganda department; and Liu Gongping, secretary general of the provincial government, attended the ceremony.

UN Official on 'Fruitful' Social Security Reform

OW0709082593 Beijing XINHUA in English 0750 GMT 7 Sep 93

[Text] Beijing, September 7 (XINHUA)—China has made major breakthroughs in reforming the state's pension, unemployment and injury insurance system and is rapidly approaching international standards, according to C. Gillion, director of the Social Security Department of the International Labor Organization (ILO).

He made the statement at an international seminar on social security reform held here today, which was cosponsored by the Chinese Ministry of Labor, ILO and the United Nations Development Program (UNDP).

Gillion said in his report that China's reform in this aspect is effective and fruitful and is particularly suitable for China's situation. It will also provide valuable reference for similar countries which have abundant labor forces, he added.

Gillion noted that his report was worked out on the basis of the in-depth investigations of the reform in such municipalities and provinces as Beijing, Shanghai, Sichuan and Zhejiang as well as a survey of the state's general situation in which the reform is being carried out.

The ILO official stated that under the state's new system, pensions are the joint responsibility of the state, enterprises and individuals, instead of being shouldered by the enterprises alone, as before, and the new pension rates are calculated in the light of salary averages, actual salaries and pension insurance terms, as well as with reference to price indices.

The reform, being conducted in 500,000 enterprises across the country, covers over 85 million workers and 17 million retirees, fully embodying the principles of fairness and efficiency, commented gillion.

As far as industrial injury insurance is concerned, the ILO official said, over 390 cities and counties in 18 provinces and municipalities are taking part in the reform, which covers 6.5 million workers.

According to him, the new system has replaced the decades-old practice in which enterprises used to pay industrial injury and death allowances to their staff out of their own funds. Now they have turned to socialized insurance which not only better ensures the basic living standards of the people concerned, even in cases of bankruptcy, but also paves the way for enterprises to participate in market competition on an equal footing.

Gillion said that reform of the unemployment insurance system is a major concern for the ILO as well as for the whole world, for unemployment bedevils almost all countries.

However, he said that he thought China's reform in this aspect is fruitful. According to him, China's unemployment insurance work is closely tied up with the state reemployment efforts which not only ensure the living standards of the unemployed but also supply training and produces good chances for jobless workers to be reemployed.

The ILO survey found that, since the new system was established in 1986, China has set up over 9,700 job-introduction agencies, 2,200 reemployment training centers and 200,000 labor service enterprises for redundant personnel.

Most of the jobless have become reemployed with government help, said the official, adding that the average unemployment period for jobless people in the state has dropped to just six months, much shorter than before.

Radio Reports UN Deputy Secretary General's Visit

HK0809071893 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 2 Sep 93

[Text] At the invitation of the provincial people's government, (Chi Tao-chu), deputy secretary general of the United Nations, and four others in his entourage arrived in Hunan yesterday [2 September] for an inspection.

Accompanying Mr. (Chi Tao-chu) and his wife on this trip to Hunan are Ms. Chan Wei-chen, president of China Investment Company; Ms. Hsia Tai-pai, first representative of Chan Wei-chen Company's Beijing office; and Mr. Lai Tzu-hsiung, senior project manager of [name indistinct] Company.

At 1800 yesterday afternoon, Governor Chen Bangzhu met with and entertained Mr. (Chi Tao-chu) and his party in the Huatian Hotel and had a cordial conversation with them. Executive Vice Governor Chu Bo; Vice Governor Tang Zhixiang; Huang Shigen, secretary general of the provincial government; and some others were present at the meeting.

During his stay in Hunan, Mr. (Chi Tao-chu) will listen to reports given by the relevant departments of the provincial government and will make a speech to the provincial organs on the United Nations and the world. He will also go to Yueyang for on-the-spot inspection.

U.S., Russian Presidents Discuss Middle East, Bosnia

OW0809020593 Beijing XINHUA in English 0156 GMT 8 Sep 93

[Text] Moscow, September 7 (XINHUA)—Russian President Boris Yeltsin and U.S. President Bill Clinton today discussed developments in the Middle East and Bosnia during a telephone conversation, the Presidential Information Office said.

The office said that the two leaders discussed bilateral and international issues in the 40-minute conversation.

Clinton reiterated his support for Russia's political and economic reforms, it said.

The office said that the two leaders discussed peace talks between Israel and the Palestine Liberation Organization and pledged to work together to promote peace in the Middle East.

Clinton and Yeltsin also discussed the Russian decision to withdraw troops from Lithuania and the situation in Bosnia, the office said.

U.S. President Offers To Host PLO-Israeli Accord Signing

OW0809025993 Beijing XINHUA in English 0249 GMT 8 Sep 93

[Text] Washington, September 7 (XINHUA)—U.S. President Bill Clinton has offered to host the signing of an accord between the Palestine Liberation Organization (PLO) and Israel at the White House Monday, a White House spokeswoman said here today.

Press Secretary Dee Dee Myers told reporters that "if they get the details worked out, we've offered that date."

But "it's not a done deal," she said.

Over the weekend, President Clinton and Secretary of State Warren Christopher had extensive contacts with Arab governments to encourage their support for the PLO-Israeli accord, State Department Spokesman Mike McCurry told today's regular news briefing.

"We view that as a historic achievement" by the two parties, McCurry said, "that is proving to be a catalyst for progress on some of the other tracks as they look for a comprehensive settlement."

Under the accord, Israel will grant Palestinians self-rule in the occupied Gaza Strip and the West Bank town of Jericho.

The Israeli delegation today continued its separate discussions with the Palestinian, Syrian, Jordanian and Lebanese delegations at the State Department after a weekend recess.

Eytan Bentsur, a chief Israeli delegate, said the Israelis "had a good meeting" with the Palestinians today, adding, "members of our delegation had private and informal discussions with the rest of the members of the Palestinian delegation."

Bentsur described the informal discussions as "very cordial." "I remain hopeful" that the two parties will be able to sign the agreement Monday, he said.

Both Syrian and Israeli delegations said they did not make progress in today's discussion.

Muwaffaq al-'Allaf, chief Syrian negotiator, told reporters that "the reason for the lack of progress is the Israeli attitude."

"What we have heard today is not very encouraging, and no progress whatsoever is marked since the previous round," al-'Allaf said.

Al-'Allaf urged Israel to implement U.N. Security Council resolutions 242 and 338 and the principle of exchanging Arab land for peace.

Al-'Allaf stressed that if Israel makes no change in its position, "there is no possibility whatsoever to progress."

U.S. Rangers in Somalia Launch Second Raid

*OW0709233593 Beijing XINHUA in English 2319
GMT 7 Sep 93*

[Text] Washington, September 7 (XINHUA)—U.S. Army Rangers in Somalia launched their second raid today in Mogadishu and captured 17 suspected followers of Somali warlord Mohamed Farah Aideed, a U.N. military spokesman said.

"At 2:30 this morning, soldiers from the U.S. quick reaction force augmentation (the rangers) conducted a cordon and search operation of a suspected Aideed faction command and control compound," U.N. spokesman David Stockwell said in Somalia.

"About 12 helicopters and 50 soldiers participated in the mission," Stockwell said, "it concluded about 4:30 A.M."

The text of the U.N. spokesman's briefing was made available here by the Defense Department.

Stockwell said the U.S. soldiers searched the dozen or so buildings, confiscated some small arms weapons and detained 17 of the two dozen Somali militia who were there.

During the operation there were several small-arms engagements between the U.S. soldiers and the Aideed militia that resulted in two Somali wounded who fled the area, he added.

This is the second raid by U.S. Rangers since the 400 Army Rangers were sent to Somalia about two weeks ago.

About 50 Rangers launched their first raid in southern Mogadishu on August 30, but only found they had captured eight U.N. employees.

United States & Canada
Officials Criticize U.S. Textile Quota Reduction

*HK0709122493 Hong Kong MING PAO in Chinese
6 Sep 93 p 16*

[Report by staff correspondent Yang Liu (2799 2692): "Chinese Side Stresses It Is Difficult To Accept Quota Reduction Without Clearly Investigating Textile Product Transit"]

[Text] A U.S. official recently demanded that China must stop textiles worth \$1 billion from being illegally shipped to the United States through a third party by the end of this year. Otherwise, the official said, the United States will unilaterally cut China's textile quota. The officials from the China Council for the Promotion of International Trade and the China National Textiles Import and Export Corporation said that this is unacceptable. They pointed out: It is extremely irresponsible for the United States to take unilateral action before they

have ascertained illegal textile transit. Both China and the United States can suffer losses from such a practice.

In an interview with this reporter yesterday, Zheng Hongye, chairman of the China Council for the Promotion of International Trade, said: China has always kept a close watch over the illegal transit of goods. The State Council and the Ministry of Foreign Trade and Economic Cooperation formulated regulations long ago to forbid the illegal transit of goods.

Mr Zheng continued: China attaches great importance to Sino-U.S. trade relations and, in the last few years, China has made great efforts to expand the relations.

Mr Zheng pointed out that the U.S. side made the accusation that China illegally exported textiles worth \$2 billion to the United States through a third party last year (the U.S. side has the right to reduce China's textile quota to one-third [san bei 0005 0223]) on the basis of estimation and calculation. A U.S. official, Hillman, who is responsible for textile trade, recently threatened that the U.S. side may take unilateral action to cut China's textile quota.

Zheng Hongye said: If the U.S. side takes unilateral action to cut China's textile quota before they can clarify the truth of the matter, they must accept the consequences. Such an action is unacceptable to China.

Yu Boge, a responsible member of the China National Textiles Import and Export Corporation, said that they have followed with interest the accusation made by the U.S. side. He stressed: China's textile circles have always valued their reputation. They are unwilling to see products falsely using China's brand names or China's quotas emerging on other international markets.

Mr Yu also said it is irresponsible of the U.S. side to take unilateral action to reduce China's textile quota. Such an action is unacceptable to China's textile circles.

Central Eurasia
Qian Qichen Completes 3-Day Visit to Ukraine
Holds Talks With Counterpart 7 Sep

OW0809105093 Beijing XINHUA Domestic Service in Chinese 1600 GMT 7 Sep 93

[By correspondent Shen Faliang (3988 3127 5328) and Fan Weiguo (5400 0251 0948)]

[Text] Kiev, 7 Sep (XINHUA)—Qian Qichen, visiting Chinese vice premier and concurrently minister of foreign affairs, held talks with Ukrainian Foreign Minister Anatoliy Zlenko this morning. The two sides exchanged views on bilateral relations and international issues of common concern.

At the talks, Qian Qichen said that he had visited the Ukraine before; however, this was the first visit to the

Ukraine since it had become a sovereign state. He said: The establishment of diplomatic ties between China and the Ukraine in January 1992 opened a new chapter in the annals of relations between the two countries. The visits to China by the Ukrainian president and the speaker in October 1992 and April 1993 respectively gave important impetus to the development of bilateral relations. Currently the development of friendly cooperation between the two countries is in full swing.

Zlenko said: The Ukrainian Government attaches great importance to the visit of Qian Qichen, vice premier and concurrently minister of foreign affairs. Relations with China is one of the top priorities in the Ukraine's foreign relations. President Leonid Kravchuk's successful visit to China last year injected vitality into the relations between the two countries.

While speaking on economic and trade relations between the two countries, Qian Qichen said: Bilateral economic and trade relations have developed rapidly over the past two years; however, for a variety of reasons, the potential for bilateral trade has not yet been fully tapped. China is willing to make concerted efforts with the Ukraine to solve various problems in their economic and trade relations, to explore new fields and new ways for cooperation, and to expand the scope and improve the level and quality of bilateral economic and trade relations.

Zlenko said: The Ukraine attaches great importance to strengthening economic and trade relations with the Asia-Pacific region, and China in particular, and is very interested in China's experience in economic reform.

Qian Qichen reiterated China's principled stand on the Taiwan question. He said: "We appreciate the Ukrainian Government's adherence to the principles of one China and the joint communique on the establishment of diplomatic relations between China and the Ukraine. For some time, Taiwan has engaged in activities aimed at its so-called re-entry into the United Nations. We are absolutely against it."

Zlenko said: As to the Taiwan question, the Ukraine adheres to the principles elaborated in the joint statement signed by the two countries during President Kravchuk's visit to China.

At the talks, Qian Qichen stressed: The so-called Tibet issue was created by a few Western countries to serve their political purposes. It is believed that the Ukrainian Government understands and supports China's position.

Zlenko gave a briefing on the Ukraine's domestic political and economic situation as well as its foreign policy. Qian Qichen reiterated China's support for the Ukraine's efforts to safeguard independence, sovereignty, and territorial integrity. He said: China hopes the Ukraine will maintain good relations with Russia and would like to see the Ukraine forming close ties with the European Community.

The two sides also exchanged views on such international issues as the restructuring of the United Nations, and nuclear weapons.

Meets Deputy Minister

OW0809042893 Beijing XINHUA in English 0408
GMT 8 Sep 93

[Text] Kiev, September 7 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen stressed the need here today to develop the traditional friendship and economic ties with Ukraine.

When meeting with Ukrainian First Deputy Prime Minister Yefim Efim Zvyagilski, Qian said that China and Ukraine which have maintained traditional ties of friendship and cooperation, have great potential for further development of such ties in all fields on the basis of equality and mutual benefit.

Zvyagilski said that Ukraine would like to cooperate with China in science and technology, transformation of old enterprises and the exploitation of minerals.

Qian told a news conference after his talks with Ukrainian leaders this afternoon that China and Ukraine had signed several agreements, but the implementation of these agreements needed additional measures from both sides, for which the Sino-Ukrainian economic mixed committee would meet within the year. The two countries would take steps to strengthen their exchanges in science, technology and culture.

He said that the China Red Cross would provide humanitarian aid to Ukraine to help remove the consequences of the Chernobyl nuclear station accident.

Trade value between the two countries had increased, amounting to 220 million U.S. dollars in the first half of this year against the 223 million dollar figure for the whole of last year, Qian said.

When asked about the possible military ties between China and Ukraine, Qian said the two sides did not discuss cooperation in the military field. The reports about China's purchase of Ukraine's aircraft carrier were totally groundless, he pointed out.

Asked to comment on Ukraine's stand on the strategic arms reduction treaty, the Chinese foreign minister said that Ukraine had already announced that it would adopt a non-nuclear policy which would benefit regional and world peace. He expressed the belief that it would be a matter of time for Ukraine to ratify the first stage of the Strategic Arms Reduction Treaty.

Qian revealed that China had reiterated to Ukraine its principled position on nuclear weapons and the pledge that China would not use nuclear weapons against non-nuclear states or regions.

On Ukrainian-Taiwan relations, Qian said President Leonid Kravchuk had stated in a joint communique signed during his visit to China last year that Ukraine

recognizes China as the sole legitimate government of China and Taiwan is an inalienable part of China.

He praised Ukraine's position on the Taiwan issue which was reconfirmed during the talks. China would not oppose Ukraine's unofficial and nongovernmental trade and economic ties with Taiwan, Qian said.

Ukrainian Foreign Minister Anatoliy Zlenko, who was also present at the press conference, told reporters that the basic policy the Ukrainian Parliament adopted not long ago specified that Ukraine would give priority to China in developing its relations with the Asian-Pacific countries.

Holds News Conference in Kiev

OW0809062793 Beijing XINHUA Domestic Service in Chinese 0310 GMT 8 Sep 93

[By correspondents Shen Faliang (3088 3127 5328) and Fan Weiguo (5400 0251 0948)]

[Text] Kiev, 7 Sep (XINHUA)—At a news conference held in Kiev on the afternoon of 7 September, Qian Qichen, Chinese vice premier and foreign minister, said that his talks with Ukrainian leaders were friendly, sincere [zhen zhi de 4176 2304 4104], and frank [tan cheng de 0983 6134 4104], and that both sides discussed the issue of further developing bilateral relations and exchanged views on regional issues and international issues of common concern. He believed that his visit was successful and that both sides shared identical views on a number of issues. He expressed his thanks to the Ukrainian Government for its warm hospitality.

Qian Qichen focused his reply to correspondents' questions on Sino-Ukrainian economic cooperation and trade. He said: Although the Chinese and Ukrainian sides have signed many agreements, some measures are still needed for their concrete implementation. The Sino-Ukrainian joint economic committee will formally meet this year, and furthermore, the two countries will strengthen exchanges in science, technology, and culture. The volume of trade between the two countries increased by a relatively big margin recently. It was \$223 million in 1992 and reached \$220 million in the first half of this year.

Qian Qichen clearly and definitely stated that during their talks, both sides never discussed military cooperation or cooperation in arms production. Some Western newspapers and periodicals reported that China purchased Ukraine's aircraft carrier. In fact, there's no such deal at all.

A reporter asked: So far Ukraine has not ratified the first phase of the Strategic Arms Reduction Treaty. Is China worried about this?

Qian Qichen replied: "The Ukrainian side already declared that it would implement a nonnuclear policy.

That is beneficial to regional and world peace. I believe it is only a matter of time before Ukraine ratifies the treaty."

Concerning the question of whether China will provide a guarantee to Ukraine for its security, Qian Qichen revealed that the Chinese Foreign Ministry had delivered a diplomatic note to the Ukrainian side reaffirming China's principled stand on the issue of nuclear arms and its pledge not to use nuclear arms against nonnuclear states or regions.

In reply to a question on Ukrainian-Taiwanese relations, Qian Qichen pointed out: The Sino-Ukrainian Communiqué on the Establishment of Diplomatic Relations and a joint communique issued by both sides during President Kravchuk's visit to China last year specifically pointed out the stand of Ukraine, namely that it recognizes the PRC as the sole legitimate government of China and Taiwan as a part of China. This stand adopted by the Ukrainian side was reconfirmed during our talks. China expressed its appreciation for this. China does not object to Ukraine's developing unofficial and civilian economic relations and trade with Taiwan.

Concerning the question of whether or not their talks touched on the results of the Ukrainian-Russian summit held in the Crimea a few days ago, Qian Qichen said: The Ukrainian side briefed the Chinese side on the relevant situation of the summit and on the stand of the Ukrainian side. However, both sides did not discuss the matter. Ukrainian Foreign Minister Zlenko, who accompanied Qian Qichen at the news conference, said he agreed with Qian Qichen's statement.

Zlenko stressed: As a major country in the Asia-Pacific region and as a permanent member of the UN Security Council, China exerts tremendous influence over the balance of power in the Asia-Pacific region, and it has important influence on world affairs. The basic principle of the foreign policy adopted by Ukraine's parliament not long ago specifies that Ukraine must give priority to China in developing its relations with countries in the Asia-Pacific region.

Leaves Ukraine for Romania 8 Sep

OW0809111893 Beijing XINHUA in English 1106 GMT 8 Sep 93

[Text] Kiev, September 8 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen ended his visit to Ukraine and left here for Romania this afternoon [8 September].

Qian started his visit on September 6. It was the first time that a Chinese foreign minister visited Ukraine since the two countries established diplomatic relations.

During his visit, Qian had talked with Ukraine's President Leonid Kravchuk, first deputy prime minister Yefim Zvyagilski and Foreign Minister Anatoliy Zlenko. The two sides exchanged views on bilateral relations and international issues of common interest.

Northeast Asia

Trade Minister Meets ROK Counterpart in Beijing

Urges ROK To Open Rice, Meat Markets

OW0309134693 Beijing XINHUA in English 1306 GMT 3 Sep 93

[Text] Beijing, September 3 (XINHUA)—Chinese Trade Minister Wu Yi urged the Republic of Korea (ROK) to open its rice and meat markets to Chinese exporters, while her ROK counterpart said his country expects to join China's oil exploitation in the Tarim Basin and offshore fields.

Wu, minister of foreign trade and economic cooperation, and Kim Chol-su, ROK minister of trade, industry and energy, held talks here today to explore new ways to promote trade relations between the two countries.

The two ministers said they believed that bilateral trade has been maintaining a good development momentum since the two countries normalized their relations a year ago.

Statistics from China's General Administration of Customs show that the trade volume between the two countries stood at 5.06 billion U.S. dollars-worth last year, and the figure for the first half of this year amounted to 3.107 billion U.S. dollars-worth, a rise of 54 percent over the same period last year.

In the past six months China has exported 1.1 billion U.S. dollars-worth of goods to the ROK, a decrease of 3.4 percent over the related figure for last year; while its imports from the ROK reached 2 billion U.S. dollars-worth, up 146 percent. This means that China's trade deficit with the ROK is 900 million U.S. dollars.

Meanwhile, ROK investment in China has been rising sharply. By the end of last March China had approved the establishment of 1,220 ROK-invested projects, involving an agreed use of 812 million U.S. dollars of investment. But out of this only 200 million U.S. dollars has been actually used so far.

The Chinese trade minister said that problems in bilateral trade relations need concerted efforts to solve.

She said she hoped the ROK side could lift its restrictions on its trade with China and import more of China's traditional export commodities, machinery and electronic products as well as finished industrial products.

The minister also said she hoped more and more big ROK companies would invest in China's energy, communications, chemicals, automobiles and electronics industries.

Kim said that China is the ROK's third-biggest trade partner.

He added that the two governments should make joint efforts to address problems in bilateral trade relations so as to ensure a smooth development of the long-term cooperation between the two sides.

According to him, automobile and computer-controlled switchboard manufacturers from the ROK are particularly willing to invest in China. And oil companies intend to cooperate with Chinese in exploring oil resources in China.

He said the ROK is to set up a trade center and a business council in Beijing, and that he hoped the projects would get help from China.

Ministers Sign Industrial Pact

SK0409092493 Seoul YONHAP in English 0856 GMT 4 Sep 93

[Text] Beijing, Sept. 4 (YONHAP)—South Korean Trade Minister Kim Chol-su and Chinese State Commission for Economy and Trade Minister Wang Zhongyu signed an industrial cooperation agreement Saturday to reinforce bilateral ties in machinery, electronic, automobile, and communications industries.

The agreement paves the way for Korean firms to actively take part in China's 1991-1995 infrastructure program and makes room for promising talks on Korea's advancement of cars and electronic telephone exchanges.

It includes a promise for close cooperation in manufacturing, retailing, and energy and resources development and an accord to promote joint research and development, technology transfer, sales network, and establishment of joint ventures.

To carry out the agreement, Seoul and Beijing will inaugurate an Industrial Cooperation Committee led by vice ministers from the two sides.

In later talks with Chinese Electric Power Minister Shi Dazhen, Kim solicited Korea's participation in the construction of a second-group steam power station with a capacity of 100,000 kilowatt in Jilin Province and got an agreement.

The Korea Electric Power Corp. will send a feasibility study team next month to discuss details of the 200-million-U.S. dollar construction with the Chinese side.

Kim also had a meeting with Chemical Industry Minister Gu Xiulian and agreed to launch a Korea-China chemical industry cooperation committee to effectively strengthen mutual ties in the field.

While inviting Korean companies to construction of chemical plants, Gu expressed anxiety over Korea's imposition of anti-dumping tariffs on Chinese chemical goods.

Kim explained that because the anti-dumping suits were quasi judicial, the government had limits to interfere. He

said he hoped to see related companies of the two countries talk things over to resolve the issue themselves.

Kim finishes his four-day schedule in China and returns home Sunday.

Vice Premier Li Lanqing Meets ROK Entrepreneur

OW0409083293 Beijing XINHUA in English 0826 GMT 4 Sep 93

[Text] Beijing, September 4 (XINHUA)—Vice Premier Li Lanqing today urged businessmen from the Republic of Korea (ROK) to play a greater role in boosting Sino-ROK trade and economic cooperation.

In a 20-minute meeting with Chong Chu-yong, honorary chairman of the Hyundai (modern) business group, Li noted that the past year has seen rapid growth in Sino-ROK economic ties since they established diplomatic relations.

Ju said that Hyundai, the largest trading group in the ROK, wishes to launch more cooperative projects in China.

Present on the occasion was Zheng Hongye, president of the China Council for the Promotion of International Trade.

Ju and his party are scheduled to leave here for home tomorrow to conclude their five-day tour of China.

Vice Premier Zou Jiahua Meets ROK Businessman

OW0709085293 Beijing XINHUA in English 0835 GMT 7 Sep 93

[Text] Beijing, September 7 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with Chang Chi-hyok, chairman of Kohap, a leading industrial and trading enterprise in the Republic of Korea (ROK), here today.

They discussed ways and means of expanding economic cooperation between the kohap and the relevant Chinese departments.

Yesterday evening, president of the China Association for International Friendly Contacts Huang Hua met and hosted a dinner for Chang and other ROK guests, who arrived here on Sunday.

ROK Provincial Government Group Visits Shandong

SK0809102793 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 7 Sep 93

[Text] At the invitation of Shandong Province, a 13-member government delegation from the South Kyongsang Province of ROK led by Mr. (Yun Han-to), governor of the South Kyongsang Province, arrived in Jinan on the evening of 7 September for an official friendly

visit to our province. At the Jinan Airport, Mr. (Yun Han-to) and his party were warmly welcomed by Vice Governor Song Fatang and the responsible comrades of the provincial foreign affairs office and relevant departments of Jinan city.

After China and ROK established diplomatic relations, Shandong Province has developed fairly rapidly its exchanges and cooperation with South Kyongsang Province. Both sides have conducted earnest discussions on strengthening their exchanges and cooperation and establishing friendly ties. The major purpose of the visit of the delegation is to sign an agreement on establishing friendly ties between the two provinces, hold further discussions on matters relating to their development of exchanges and cooperative relations, and sign agreements on cooperation.

Wang Hanbin at DPRK Envoy's Anniversary Reception

OW0609233493 Beijing XINHUA in English 1417 GMT 6 Sep 93

[Text] Beijing, September 6 (XINHUA)—The 45th anniversary of the founding of the Democratic People's Republic of Korea (DPRK) was marked at a reception hosted by DPRK Ambassador to China Chu Chang-chun here tonight.

Present at the reception were Wang Hanbin, vice-chairman of the Standing Committee of the National People's Congress, Han Zhubin, minister of railways, Ai Zhisheng, minister of radio, film and television, as well as other Chinese leading officials. Proposing toasts, Wang and Chu said that China and the DPRK will continue to work for the consolidation and development of the traditional Sino-DPRK friendship.

Wei Jianxing Meets DPRK Provincial Delegation

SK0409130993 Beijing China Radio International in Korean 1100 GMT 4 Sep 93

[Text] Wei Jianxing, member of the Political Bureau of the CPC Central Committee and member of the Secretariat, met the Kangwon Provincial delegation led by Yim Hyong-ku, responsible secretary of the Workers Party of Korea Committee of Kangwon Province, in Beijing on the afternoon of 3 September.

Kangwon Province had concluded friendly relations with Jiangxi Province in November 1984. This is the third visit to the PRC by a Kangwon Provincial delegation.

During the meeting, Wei Jianxing said that friendly exchanges between the provinces of the PRC and the DPRK, exchange of experiences, and learning from each other will be helpful in deepening mutual interest and friendship between the people of the two countries. He also said that the CPC attaches great importance to the PRC-DPRK friendly relations and will continue to make efforts to strengthen and develop them.

Sino-Japanese Submarine Optical Cable Passes Test

OW0409071393 Beijing XINHUA in English 0606
GMT 4 Sep 93

[Text] Shanghai, September 4 (XINHUA)—The first Sino-Japanese submarine optical cable has been proved up to standard, according to a recent technical test.

This indicates that the cable is able to successfully open 7,560 international telecommunication lines, an official in charge of the project said.

The 1,260-kilometer-long cable, running from Nanhui of Shanghai in China to Miyazaki in Japan, is expected to open to service within this year.

The official said that when it does, it will link China's long-distance telecommunications network to the international optical telecommunications system and help Shanghai—China's largest economic center—to expand its international telecommunications capacity.

Listed as one of the key state capital projects for the 1991-95 period, the cable has been jointly funded by the Chinese Ministry of Posts and Telecommunications, the Japanese KDD and the United States firm AT&T, with a total input of more than 77 million U.S. dollars.

CPC Liaison Office Head Meets Japanese Visitors

OW0409082693 Beijing XINHUA in English 0801
GMT 4 Sep 93

[Text] Beijing, September 4 (XINHUA)—Kazuo Aichi, visiting member of the Japanese House of Representatives and member of the new life party (Japan Renewal Party), paid an official call here today on Li Shuzheng, head of the Liaison Department of the Chinese Communist Party's Central Committee.

Aichi is visiting China as an advisor to a 200-member delegation of young Japanese activists for friendship with China and the delegation is the fifth to China under the "Great Wall" exchange program since 1989.

The two sides had a frank and friendly discussion, and exchanged views on Sino-Japanese ties and relations between the two parties.

Procuratorial Delegation Leaves for Japan

OW0809060393 Beijing XINHUA in English 0513
GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—A Chinese procuratorial delegation left here this morning for a week-long visit to Japan.

The delegation, headed by Zhang Siqing, procurator-general of the Supreme People's Procuratorate of China, was invited by the chief procurator of Japan's Supreme Public Procurator's Office.

Among those to see the delegation off at the airport were Cheng Mingshu, deputy procurator-general of China's Supreme People's Procuratorate, and Japanese diplomatic officials here in Beijing.

Group Visits Mongolia, Signs Customs Agreement

OW0809003493 Beijing XINHUA in English 1922
GMT 7 Sep 93

[Text] Ulaanbaatar, September 7 (XINHUA)—Mongolia and China today signed an agreement on mutual aid and cooperation between the two countries in the field of customs.

The accord, the first of its kind, was signed by Liu Wenjie, a deputy director of the Chinese General Administration of Customs, and G. Sesser, chief of Mongolia's General Customs Administration.

After the signing of the document, Mongolian Vice Premier Choyjilsurengiyn Purebdorj met Liu and voiced his hope for increased cooperation between the two countries' customs departments.

Such cooperation, Purebdorj said, will help strengthen economic cooperation and exchanges between the two countries.

He said the customs agreement is an important one to both countries and the Mongolian Government will ask all the departments concerned to implement it strictly.

The Chinese customs delegation arrived here on Monday [6 September] and will leave for Russia on Wednesday.

Southeast Asia & Pacific

Radio: Thai Prime Minister's Visit 'Successful'

BK0309100793 Beijing China Radio International in Thai 1330 GMT 2 Sep 93

[Unattributed commentary: "Successful Friendship Visit"]

[Text] Thai Prime Minister Chuan Likphai led a government delegation, which included over 200 members of the business sector, to visit China from 25 August to 1 September. At each place during its visit, the group was accorded a warm welcome and sincere hospitality by the Chinese people.

During the eight-day visit, Thai and Chinese leaders held several rounds of discussions. They exchanged views on bilateral relations, international and regional problems. They shared similar views on several matters. Prime Minister Chuan Likphai attended the economic meeting held by the Thai-Chinese Industrial and Trade Sector. His visit to China resulted in a satisfactory outcome for efforts to promote economic cooperation between the two countries. It was his first visit to China since he

became Thailand's prime minister last September. China and Thailand attached great significance to the visit.

During his visit to China, Prime Minister Chuan Likphai called on Chinese President Jiang Zemin, met Chairman of the Chinese National People's Congress Standing Committee Qiao Shi, and held talks with Chinese Prime Minister Li Peng. President Jiang Zemin stated during the meeting with the distinguished guest from Thailand that the Chinese Government and people cherish the Thai-Chinese friendship and hope that the friendly relations between the two countries would develop and be consolidated consistently. President Jiang Zemin said that China always remains a reliable friend of Thailand and the ASEAN countries, and will remain a vital force in the effort to safeguard peace and stability in the region and the world. Qiao Shi expressed thanks for the warm welcome and hospitality accorded him by the Thai Government and people during his recent visit to Thailand. He said the Chinese National People's Congress is willing to learn from Thailand's and ASEAN's experience in economic management and development. Prime Minister Li Peng also had a friendly discussion with the Thai prime minister on the development of Sino-Thai relations and cooperation, on the expansion of bilateral economic and trade relations, and on exchanges of views and information on various issues, such as how to promote bilateral relations and regional development, which serve a common interest for both countries.

Chinese Foreign Minister Qian Qichen and Thai Foreign Minister Squadron Leader Prasong Sunsiri also exchanged views on bilateral relations and regional issues. On Cambodia, both sides shared a common view that the Cambodian problem could be settled only if national reconciliation is fully achieved. The two foreign ministers expressed readiness for continued cooperation in resolving the Cambodian problem.

Prime Minister Chuan Likphai's visit contributed to a better understanding and growing friendship between the governments and peoples of both countries. Also during the visit, three agreements were signed by the Thai and Chinese governments. They are: an agreement on cooperation to jointly develop tourism industry, an agreement to establish a Chinese consulate in Songkhla and a Thai consulate in Kunming, and an agreement on an extradition treaty. The state enterprises of the two countries also signed contracts for a dozen projects of joint investment and manufacture, including a joint venture to produce motorcycles and set up a dairy factory and a leather tannery. China and Thailand expressed a common desire to cooperate in scientific and technical development, especially in space technology, rubber processing, and the iron and steel industry. Both sides exchanged views on the economic quadrangle development involving Thailand, China, Laos, and Burma. They endorsed the project.

Prime Minister Chuan Likphai and his delegation have ended their visit to China and returned home. Their visit

yielded a satisfactory result; it was a successful friendship visit. At the conclusion of his visit to Beijing, Prime Minister Chuan Likphai told correspondents that he was very satisfied with his visit. The visit would serve as a foundation for the development of friendship between Thailand and China. Relations between the two countries would become even closer from now on.

Prime Minister Chuan Interviewed on PRC Visit

BK0709110193 Beijing China Radio International in Thai 1330 GMT 6 Sep 93

[Interview with Prime Minister Chuan Likphai by Beijing China Radio correspondent Sathian Tasombun—recorded, date not given]

[Text] [Sathian] Greetings Your Excellency Prime Minister. I, Sathian Tasombun, correspondent of Beijing Radio's Thai Section, would like to interview Your Excellency about your visit to the PRC. I do not know if you have ever visited China before. What do you think about the development and changes in China?

[Chuan] I visited China twice before when I was serving as education minister in 1984 and 1985. During this visit, I have witnessed distinctive changes in terms of materials, new construction projects, cleanness, and discipline on the part of the people in Beijing and Shanghai and other places I visited during my previous trips. Generally speaking, relations between our two countries remain good as in the past or even better.

[Sathian] What is the success of your visit to China this time?

[Chuan] The objectives of this trip are to visit China at the invitation of His Excellency Prime Minister Li Peng, further stabilize our good relations, witness together with Prime Minister Li Peng the signing of three agreements, and to discuss in investment and trade as well as political cooperation between our two countries. The agreements signed during this visit are about cooperation in tourism, opening of consulates in China's Kunming and Thailand's Songkhla Province, and extradition of prisoners. This is the first prisoner extradition agreement China has signed with a foreign country, so it is regarded as a historic event. Talks held with His Excellency Prime Minister Li Peng focused on trade relations and cooperation between the two countries. As our two countries are increasing their investment and trade cooperation, unprecedented number of Thai fraternal people have come to invest in China while several Chinese enterprises also invested in Thailand. I told Prime Minister Li Peng that we want to see more joint investment ventures between Thailand and China. The prime minister has agreed to look into the matter. As for trade, Thailand has been suffering trade deficit with China during the past five years. This is nothing unusual because one party must gain trade surplus. Since Thailand is a developing country, it has to review things when trade deficits increase. If we feel that our trade partner can buy more from us, more from our country, we want it to do so.

Prime Minister Li Peng said he agreed with us and will try to help us in this regard. In the political area, the general topics of discussion related to our two countries. We talked about the Cambodian problem and other issues pertaining to ASEAN, Burma, and Asia-Pacific Region.

[Sathian] What do you think about the future trend of the Sino-Thai relations?

[Chuan] I think that relations between our two countries will expand in the areas of economic, trade, and investment cooperation. A considerable number of Thai businessmen have invested in China. I believe that there are some industries in which the two countries can jointly invest. For example, a product is manufactured in China while Thailand produces some of the components of that product because it has the raw materials. We can jointly invest in these type of industries. This is why I believe that our two countries can further increase our economic cooperation in the future. What is clear is that the fraternal Thai and Chinese peoples will visit each other more than before. At present, Thailand has abolished the decades-old immigration restriction. Thus, the fraternal Chinese people will find it more convenient to come to Thailand to visit relatives or for vacation.

Thai Privy Councillor Begins Visit to Beijing

Meets Foreign Affairs Official 5 Sep

OW0509084893 Beijing XINHUA in English 0700 GMT 5 Sep 93

[Text] Beijing, September 5 (XINHUA)—Liu Shuqing, president of the Chinese People's Institute of Foreign Affairs, held working talks with Sitthi Sawetsila, visiting privy councillor and chairman of the CP [Charoen Phokphan] group advisory committee of Thailand, and his party here this morning.

Their talks mainly focused on Sino-Thai relations and international situation.

Liu also briefed Sitthi on China's domestic situation.

Later, Liu gave a luncheon in honor of Sitthi and his party who arrived here yesterday as guests of the host institute.

Sitthi is an old friend of the Chinese people and has visited China on many occasions.

Sees Qiao Shi 6 Sep

OW0609075693 Beijing XINHUA in English 0728 GMT 6 Sep 93

[Text] Beijing, September 6 (XINHUA)—Qiao Shi, chairman of the Standing Committee of China's National People's Congress (NPC), met with Sitthi Sawetsila, visiting privy councillor and chairman of the CP [Charoen Phokphan] Group Advisory Committee of Thailand, and his party here this morning.

Qiao and Sitthi exchanged views on Sino-Thai relations and regional issues in a cordial atmosphere.

Qiao said the present Sino-Thai links owe much to the positive contributions made by Sitthi when he held the portfolio of Thai Foreign Minister. He expressed the hope that these friendly ties of cooperation would be further consolidated and developed in the rest of the 1990s.

The smooth development of Sino-Thai relations exerts a positive impact on both China and Thailand, as well as the whole southeast Asian region, he said.

He expressed the belief that so long as the stability of this region is maintained with the common efforts of all sides, its economy will score an even more rapid growth in the 21st century.

China is willing to continuously consolidate and enhance its friendly cooperation with the southeast Asian countries, including Thailand, on the basis of equality and mutual benefit, Qiao stated.

Sitthi noted that the Thai royal family and its people attach great importance to Thai-Chinese relations and that there exists sincere mood of understanding and co-operation between the two countries.

The recent exchange of visits by high-ranking leaders of the two countries has ushered Thai-Chinese relations into a new era, he added.

Sitthi and his party arrived here September 4 as guests of the Chinese People's Institute of Foreign Affairs.

Meets CPPCC Vice Chairman

OW0609121593 Beijing XINHUA in English 1144 GMT 6 Sep 93

[Text] Beijing, September 6 (XINHUA)—Wu Xueqian, vice-chairman of the national committee of the Chinese People's Political Consultative Conference (CPPCC), met with Sitthi Sawetsila, visiting privy councillor and chairman of the CP [Charoen Phokphan] Group Advisory Committee of Thailand, and his party here this afternoon.

The two sides had a cordial talk on Sino-Thai relations and other issues of common interest.

Sitthi and his party arrived here September 4 as guests of the Chinese People's Institute of Foreign Affairs.

Cambodia's Sihanouk Resigns as SNC President

OW0409150493 Beijing XINHUA in English 1455 GMT 4 Sep 93

[Text] Phnom Penh, September 4 (XINHUA)—Cambodian head of state Prince Norodom Sihanouk said today in a letter that he will no-longer hold the post of president of the Supreme National Council [SNC] of Cambodia.

In a letter to Cambodians released in Beijing, Sihanouk said that from September 4 "I stop being the president of Supreme National Council."

He said that after the establishment of a new government, if the National Council elect him as the head of state, he would be sworn in according to the written oath by the National Assembly.

Sihanouk said that he will not go back to Phnom Penh until the establishment of the new government.

His letter was written to Son Sann, president of Cambodian Constituent Assembly; Prince Norodom Ranariddh and Hun Sen, copresidents of the National Interim Government of Cambodia and other leaders.

Leaders Send National Day Greetings to SRV

BK0409052393 Beijing China Radio International in Vietnamese 1100 GMT 2 Sep 93

[Text] On 1 September, Jiang Zemin, CPC general secretary and PRC president; State Council Premier Li Peng; and Qiao Shi, chairman of the National People's Congress Standing Committee sent a message of National Day greetings to Do Muoi, general secretary of the Communist Party of Vietnam [CPV]; SRV President Le Duc Anh; Prime Minister Vo Van Kiet; and National Assembly Chairman Nong Duc Manh. The message reads:

On the 48th founding anniversary of the Socialist Republic of Vietnam, on behalf of the CPC, PRC Government, and Chinese people, we would like to send our warm congratulations to the CPV, SRV Government, and Vietnamese people.

We are happy to note that in the last year, the two countries' cooperation and friendly relations have again shown positive steps in all fields. This not only meets the interests of the two countries' peoples, but is also beneficial to regional peace and stability. The Chinese party, state, and people treasure the Chinese-Vietnamese friendship very much. We will continue to strive for the development of Chinese-Vietnamese cooperation and friendly relations. We believe that with a common effort from the two sides, the Chinese-Vietnamese relations of neighborliness, cooperation, and friendship will certainly continue to be consolidated and developed on the basis of the five principles of peaceful coexistence. We wish your country and people a prosperous and happy future.

On 1 September, PRC Vice Premier and Foreign Minister Qian Qichen sent a message of National Day greetings to Vietnamese Foreign Minister Nguyen Manh Cam. The message says:

On the 48th SRV founding anniversary, I would like to send you my warm congratulations. I hope the Chinese-Vietnamese relations of neighborliness, cooperation, and

friendship will be continually consolidated and developed, and Vietnam scores new achievements in its diplomatic affairs.

Australian Trade Minister Arrives in Beijing 6 Sep

OW0609082193 Beijing XINHUA in English 0748 GMT 6 Sep 93

[Text] Beijing, September 6 (XINHUA)—Australian Trade Minister Peter Cook arrived in Beijing this afternoon, accompanied by a large delegation of over 100 businessmen.

During his nine-day goodwill visit at the invitation of China's minister of foreign trade and economic cooperation Wu Yi, Cook will discuss with his Chinese counterpart on furthering Sino-Australian economic and trade ties.

He will also attend the "Australia-China Forum", which is scheduled to open tomorrow.

Later, Cook will visit Shanghai, Hangzhou and Guangzhou.

Australia is China's 11th-largest trade partner and 10th-largest investor in the world.

Attends Business Seminar Opening 7 Sep

OW0709094293 Beijing XINHUA in English 0921 GMT 7 Sep 93

[Text] Beijing, September 7 (XINHUA)—A two-day business seminar named "Australia-China forum" opened here this morning.

China's Minister of Foreign Trade and Economic Cooperation (MOFTEC) Wu Yi and visiting Australian Trade Minister Peter Cook attended the opening ceremony and made speeches.

Wu said the economies of China and Australia are complementary, encompassing many fields of cooperation.

"Australia boasts rich resources, developed agriculture, a comparatively mature service sector and advanced technology in high-tech industry", she added, "while China enjoys abundant resources of labor and materials, and a vast, developing market."

She further noted that the two countries can learn from and help each other to further expand spheres of cooperation.

Cook pointed out in his speech that Australia is ready to carry out cooperation in various fields such as iron and steel, mining, telecommunications, food processing, communications, infrastructural construction, environmental protection and finance.

After the opening of the business seminar, Wu Yi and Cook held talks on furthering Sino-Australian economic and trade development.

During the two decades of Sino-Australian diplomatic relations bilateral trade has increased by 27 times, with the trade volume last year standing at 2.33 billion U.S. dollars, including record highs in both imports and exports.

Meanwhile, the trade composition has also improved. Besides iron ore, wool, grain and other traditional raw materials, China's imports of complete sets of equipment and technological products from Australia have increased greatly.

China's exports of electrical and mechanical equipment to Australia has also grown by a considerable amount.

The "Australia-China forum", cosponsored by the Australian Trade Commission and MCFTEC, is being participated in by nearly 300 people from the Chinese and Australian business circles.

Cook and his party arrived in Beijing Monday [6 September] at the invitation of Wu Yi.

The 100-strong business delegation Cook is leading is the largest one ever to come to China from Australia.

Cook and some members of his party are scheduled to visit Shanghai, China's largest metropolis, Hangzhou, capital of east China's Zhejiang Province, and Guangzhou, capital of south China's Guangdong Province.

He will attend Sino-Australian investment and business seminars there.

NPC Delegation Leaves for Australia 8 Sep

OW0809054393 Beijing XINHUA in English 0509 GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—A three-member delegation of the Chinese National People's Congress (NPC) left here this morning to attend the 90th session of the Inter-Parliamentary Union to be held in Canberra, Australia.

The delegation, lead by Zhu Qizhen, member of the NPC Standing Committee and vice-chairman of the NPC's Foreign Affairs Committee, were seen off at the airport by NPC officials and Australian diplomats at the airport.

Near East & South Asia

Indian Prime Minister Rao Continues Visit

Report Views 'Improvement' of Ties

BK0709155193 Beijing China Radio International in Hindi 1500 GMT 6 Sep 93

[Unattributed report]

[Text] China and India are the two major countries in Asia, and they are good neighbors. Communications and commercial ties between the two countries were established some 2,000 years ago. (Huan Suang), the great Chinese traveler and Buddhist monk of the (Han) dynasty, visited India via the ancient silk route and stayed in India for 17 years to make an extensive study of Buddhism. This is a glowing example of the close ties between China and India. After the establishment of the People's Republic of China, there was an upswing in the friendly ties between the two countries. A slogan which was chanted in those days, Indians and Chinese are brothers, reflected the friendship between China and India.

In the 1960's, the border dispute affected bilateral relations for some time. But toward the end of the 1970's, these relations gradually started to improve, particularly with the formal and friendly visit to China by the late Indian Prime Minister Rajiv Gandhi in 1988. In 1991, Chinese Premier Li Peng paid a formal and friendly visit to India. Later, in 1992, former Indian President Venkatarman visited China. These visits contributed to the improvement of bilateral ties between the two countries. Both sides expressed the hope that the border dispute would be resolved through dialogue and that cooperation and transactions in the economic, trade, and other sectors would be expanded.

After taking charge as prime minister in March 1992, Narasimha Rao took fresh initiatives to improve Indian-Chinese ties. He attached importance to the development of friendship and cooperation with China. This helped further expand bilateral ties, particularly in the economic and commercial sectors. In recent years, cultural, scientific, technical, and economic contacts between the two countries has been expanding. From 1981 to 1986, there was cooperation in more than 300 areas in the field of science and technology, especially in agriculture, health, biology, chemistry, and meteorology.

During the late Prime Minister Rajiv Gandhi's visit to China in 1988, an agreement on science and technology was signed which lays emphasis on transactions and cooperation between the two countries in the fields of laser technology, space science, [word indistinct] science, agriculture, pisciculture, chemistry, electronics, astronomy, and health. In 1992, an accord was signed between China's Ministry of Aerospace Industries and the Indian Department of Space on research into the peaceful uses of space. There is fresh scope for cooperation between the two countries in the high-tech areas.

This year, a Chinese delegation on applied technology, comprising 49 members from more than 10 regions, visited India. This was the biggest Chinese scientific and technical delegation ever to visit India. The delegation took 71 advanced applied technologies with it. Most of the technologies were highly advanced and of global standards. This indicates that the exchanges and cooperation between the two countries in the field of science and technology have vastly improved.

In the field of economics and trade, more than 20 economic and commercial delegations from China have visited India during the last year. In 1992, the Chinese Metallurgy Import-Export Corporation set up a joint venture steel factory in Orissa with India's Central-Eastern Company Limited, which is the first of its kind between China and India. Besides, a Chinese petroleum delegation submitted tenders for the exploration of oil and natural gas in India. The Chinese Ministry of Geology and Mineral Resources signed accords with India for scientific cooperation in the field of geology and metallurgy, and it reached an understanding on cooperation during 1993 and 1994 as well.

There has been great improvement in bilateral trade between China and India. In 1983, total imports and exports between the two countries alone was worth \$40 million. In 1992, it went up to \$340 million—almost a 10-fold increase. China's imports from India include mostly crude iron, medicines, machinery, tobacco, food materials, and building materials. India imports silk, gems, chemical substances, and toys from China. Both China and India are major countries. Therefore, there is great scope for bilateral trade between them. The governments of both countries admit that bilateral trade between the two countries should reach at least \$1 billion. Hence, both sides are making efforts to expand the scope for imports and exports in the fields of agricultural technology, raw materials, food materials, and machinery.

In July 1992, a contract on trans-border formalities was signed in New Delhi for border trade between India and China. Accordingly, China and India will hold border trade fairs in the border regions of (Phulan) in Tibet under China's autonomous region and (Kanji) in India's Uttar Pradesh every June and September. Thus, border trade between the two countries has resumed after 30 years.

So an area was opened for each of the two countries in the southern region of the Himalayas. Last year, border trade between the two countries reached 200 million Chinese yuan. China exports wool, leather products, ghee, and silk clothes to India, whereas India exports clothes, oil, sugar, agricultural produce, and tobacco to China. China and India are prepared to open new border posts to facilitate economic and trade contacts between the peoples of the two countries. As two major Asian countries, China and India are now forging better cooperation with each other to strengthen friendship as well as for their common welfare. And both are becoming good neighbors.

Rao Meets Hu Jintao 7 Sep

OW0709112993 Beijing XINHUA in English 1111
GMT 7 Sep 93

[Text] Beijing, September 7 (XINHUA)—Hu Jintao, standing committee member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met here this afternoon with visiting Indian

Prime Minister Narasimha Rao, who is also president of the Indian National Congress (Indira Gandhi).

During the meeting, Hu and Rao expressed the mutual wish to strengthen contacts between the two parties, so as to promote cooperation between the two countries.

In what a Chinese Foreign Ministry spokesman described as "a cordial and friendly conversation," Hu recalled his meeting with then-foreign minister Rao, during his visit to India in 1984, when Hu was president of the All-China Youth Federation. Rao expressed happiness at their get-together here in Beijing.

Li Shuzheng, head of the International Liaison Department of the CPC Central Committee, was among those present at the meeting.

Talks With Jiang Zemin 7 Sep

CM0709191493 Beijing XINHUA Domestic Service in
Chinese 1142 GMT 7 Sep 93

[Text] Beijing, Sep 7 (XINHUA)—Chinese President Jiang Zemin and visiting Indian Prime Minister Narasimha Rao, in their meeting this afternoon [7 September], stressed the importance of strengthening the relations between the CPC and the Indian National Congress (Indira Gandhi) and promoting the two countries' cooperation.

Jiang, also general secretary of the Communist Party of China (CPC), called China and India two nations of ancient civilizations, whose peoples share centuries-old friendly contacts. In modern times, both countries suffered from the aggression of imperialism and have identical or similar views on many issues, he said.

In recent years, Jiang noted, their good-neighborly and friendly relationship and mutually beneficial cooperation have constantly expanded, thanks to the efforts exerted by both sides.

The populations of China and India put together account for 40 percent of the world's total, Jiang said. Thus, expansion of Sino-Indian ties is not only in keeping with the fundamental interests of the two peoples, but will also produce a positive impact on the peace, stability and development of Asia and the world in general, he added.

Jiang said that the Communist Party of China attaches importance to maintaining and developing friendly relations with the Indian National Congress (Indira Gandhi). Increased contact between the two parties will not only enhance their mutual understanding, but will serve to promote friendly cooperation, both governmental and non-governmental, between the two countries as well, he said.

Rao described his talks with premier Li Peng this morning as "very useful," which he said signals a "bright future" for India-China relations, according to a Chinese Foreign Ministry spokesman.

As India and China are two biggest nations in Asia, enhanced cooperation between them is important not only to the two countries, but to the whole world as well, he said.

The five principles of peaceful coexistence, initiated by India and China some 40 years ago, are still relevant today, he said.

Rao voiced agreement with Jiang's remark that relations between the two parties should be strengthened so as to promote cooperation between the two countries.

During the meeting, Rao invited Jiang Zemin to visit India at an early date, and Jiang Zemin accepted the invitation with pleasure.

According to the Foreign Ministry spokesman, the meeting proceeded in a cordial and friendly atmosphere.

Liu Qi, chairman of the Chinese Government reception committee and minister of metallurgical industry, and Vice-Chairman Tian Guangtao of the Central Committee of the Chinese Peasants and Workers Democratic Party, and Vice Foreign Affairs Minister Tang Jiaxuan were present at the meeting, along with Bhatia, Indian minister of state for external affairs, and Chaturvedi, minister of state in the Prime Minister's Office.

Delhi Radio Details Border Accord

BK0709161593 Delhi All India Radio Network in English 1530 GMT 7 Sep 93

[Excerpts] India and China today signed an agreement on maintaining peace and tranquillity along the line of actual control. They also signed agreements on cooperation in radio and TV and environmental protection and a protocol for increasing border trade points. All the agreements were signed in Beijing in the presence of the prime minister, Mr. Narasimha Rao, and his Chinese counterpart Mr. Li Peng. Our special correspondent Sebastian Roberts reports from Beijing that the breakthrough on the border issue came after two rounds of discussions between the two prime ministers.

Under the landmark agreement on peace and tranquillity, the two sides have reaffirmed their commitment to resolve the boundary question through negotiations. They agreed that neither side shall use or threaten to use force against the other, pending a boundary settlement. Experts from the two countries will jointly check and determine the line of actual control.

The two countries will carry out a series of confidence-building measures, including reduction of military forces deployed along the border. Both agreed to keep their military forces along the line of actual control in conformity with the principle of mutual and equal security. [passage omitted]

The prime minister called on the Chinese president, Mr. Jiang Zemin, this afternoon. They discussed bilateral and international issues.

Our special correspondent Rabindranath Mishra reports that the Chinese premier, Mr. Li Peng, has accepted an invitation from the prime minister to visit India.

Official on Missiles for Pakistan

BK0809012193 Delhi All India Radio Network in English 1530 GMT 7 Sep 93

[Text] India today conveyed its concern to China over the supply of missiles to Pakistan. The matter came up during the discussion between the foreign secretary, Mr. J.N. Dixit, and his Chinese counterpart, Mr. Qian Qichen in Beijing. Mr. Dixit told Mr. Qichen that the supply of missiles to Pakistan is a matter of serious concern to New Delhi. Mr. Qichen assured Mr. Dixit that China has not given any arms to Pakistan which will pose a threat to India. He said that China will not in any way play the Pakistan card against New Delhi. He said China is against terrorism in all forms and also against breaking up of any country.

Briefing newsmen, a spokesman of the External Affairs Ministry said that Mr. Narasimha Rao had an hour-long meeting with the Chinese president, Mr. Jiang Zemin, and three senior leaders, Mr. Hu Jintao, Mr. Qiao Shi, and Mr. Li Shuzheng. Several bilateral and multilateral issues came up for discussion. On the question of Tibet, Mr. Rao expressed India's stand and said that New Delhi will not allow India's soil to be used for any activities directed against China. At the same time, he said India honors Dalai Lama as a respectable religious leader.

Countries To Cooperate in Medicine

BK0809094493 Delhi All India Radio Network in English 0830 GMT 8 Sep 93

[Text] China has accepted India's proposal for cooperation in scientific research and promotion of traditional medicine. The proposal was made by the prime minister, Mr. Narasimha Rao, in Beijing yesterday during his talks with the Chinese leaders. The proposal for cooperation covers the Chinese traditional systems of medicinal practices and scientific research in traditional medicine. During discussions, the Chinese side also showed keen interest in Ayurveda, Unani, Siddha, Yoga, and Homeopathy. Experts from both the countries are to meet soon to work out the details of the cooperation.

Earlier, in his talks with the Chinese prime minister, Mr. Li Peng, Mr. Narasimha Rao proposed that the two countries observe next year the 40th anniversary of Panchsila [five principles of mutual coexistence] enunciated in 1954 during Pandit Jawaharlal Nehru's visit to China.

The prime minister also had a meeting with the Chinese indologists and scholars in Beijing yesterday. During the meetings, Mr. Narasimha Rao called for more exchange of scholars and academicians between the two countries to bridge the missing link in bilateral ties. Those who met the prime minister included Professor (Jin Din

Guang)—a Hindi scholar who has translated Tulshi Das's Ramcharit Manas into Chinese.

The prime minister today visited the Buddhist temple town of Luyong in the Western Henan province of China. Mr. Narasimha Rao was given a rousing welcome on his arrival at this ancient town which was the home to over a dozen of China's dynasties. After a brief ceremony, he visited the world famous Longman Caves. Later, the prime minister drove to another enchanting and mystifying underground palace—the last site for (?tombs) chosen by the Han Dynasty. The palace has been turned into a museum now. From the palace, the visitors were driven to the famous White Horse Temple which is called the cradle of Buddhism in China. After almost a seven hours stay in the sunny town, the prime minister returned to Beijing.

Qian Qichen Meets Sudanese 'Special Envoy' 4 Sep

OW0409194893 Beijing XINHUA in English 1341 GMT 4 Sep 93

[Text] Beijing, September 4 (XINHUA)—Chinese Vice-Premier Qian Qichen met here today with Awad al-Jaz, special envoy of chairman al-Bashir of Sudan's Salvation Revolution Command Council. Al-Jaz handed Qian a letter from al-Bashir to Chinese President Jiang Zemin.

Qian, also Chinese Foreign Minister, then exchanged views with al-Jaz, minister of cabinet affairs of Sudan, on the development of the international and African situations.

In the new international situation, Qian said, each country should establish good relations with other countries while handling its own internal affairs in an appropriate manner. He said China is against hegemonism, power politics and interfering in the internal affairs of other countries.

During the meeting both sides expressed their hope to strengthen the friendly and cooperative relations between the two countries, especially in the fields of economy and trade, on the basis of equality and mutual benefit.

Awad al-Jaz and his party arrived here yesterday. Yang Fuchang, vice-minister of foreign affairs, met the Sudanese visitors at Beijing Airport, and in the afternoon held a talk with them.

West Europe

Vatican Ambassador Views 'Great Meaning' of Visit

HK0309115193 Hong Kong AFP in English 1118 GMT 3 Sept 93

[By Philippe Massonnet]

[Text] Beijing, Sept 3 (AFP)—The first Roman Catholic cardinal ever officially invited to China said after arriving Friday [3 September] that his visit had great implications for ties between the Holy See and Beijing. Although the specific results of the trip could not be predicted, Cardinal Roger Etchegaray said, it had "great meaning for the Vatican, for China and for the Catholic Church."

The French cardinal is expected to discuss Chinese-Vatican ties with top officials here—formal ties were broken off in 1957—and said real progress could be made. "Beyond my presence at the opening of the seventh National Games on Saturday, I think that my visit to Beijing has a significance which is impossible to assess at the moment," he told AFP.

Officially, Etchegaray is here on a private visit to take part in China's National Games, which Beijing is using to help promote its bid to host the 2000 summer Olympics. But the cardinal, who made a semi-official trip to China in 1980, is a top ambassador of Pope John Paul II and his trip is considered a breakthrough after 36 years of animosity between the church and China's communist government.

His host is the chairman of the games, Sports Minister Wu Shaozu. "I came back to China by the door of sports," the cardinal joked. Etchegaray said he would stay in China "three or four days" and "have meetings at a high level," but did not say whom he would be meeting if they included a representative of China's official Catholic church.

He also declined to say if a possible visit to China by the Pope would be discussed. The pontiff said in June he would like to visit China as soon as possible and Beijing said last month it hoped to normalise relations with the Vatican.

After the Vatican dropped its recognition of China it established ties with Taiwan, and China in turn created its own "patriotic" church which today has about three million followers. It is thought there are an equal number of Chinese loyal to the Vatican, but they must worship clandestinely.

Ties between the Vatican and China have intensified in recent months but China has continued to insist that the church cease to recognise Taiwan before relations can be formalised. Beijing has also demanded that the Vatican stop interfering in what it considers internal Chinese affairs, notably by halting the secret ordinations of priests and bishops.

It has ordained some 20 bishops and in 1991 consecrated Cardinal Ignatius Gong Pinmei, who is now in exile in the United States. But in a sign of good faith, China freed about a year ago some 20 clergymen, including several Catholic bishops, although human rights organisations say Chinese priests who remain loyal to the Vatican continue to face persecution.

Shanghai Mayor Begins Visit to Belgium 3 Sep

Meets Deputy Prime Minister 4 Sep

OW0409071293 Beijing XINHUA in English 0521
GMT 4 Sep 93

[Text] Brussels, September 3 (XINHUA)—Belgian Deputy Prime Minister and Foreign Minister Willy Claes today had a friendly talk with the visiting Mayor of Shanghai Huang Ju and his party.

Claes said that the economic cooperation between Belgium and China, and between the twin cities of Antwerp and Shanghai, has yielded heartening fruits.

He said that during his recent visit to China, he was deeply impressed by the rapid development in China and especially in Shanghai.

The Belgian Government, he said, will make further efforts to promote economic cooperation and trade between the two countries and the two cities.

Mayor Huang Ju briefed Claes on the excellent situation which has emerged in recent years as a result of the implementation of the policy of reform and opening and the swift development of Shanghai's economy. He hoped that the friendly cooperative relations between the two countries and the two cities would develop further.

Mayor Huang Ju and his party arrived here yesterday on a friendly visit to Antwerp, and to the country as a whole, at the invitation of the city council of Antwerp.

Sees Trade Minister 6 Sep

OW0709021393 Beijing XINHUA in English 0137
GMT 7 Sep 93

[Text] Brussels, September 6 (XINHUA)—Belgian minister of external trade and European affairs, Robert Urbain, met here today with visiting mayor of Shanghai, Huang Ju.

Urbain said he was deeply impressed by the economic development in Shanghai during his visit to the city in May. Urbain was accompanying then Prince Albert on the latter's official visit to China.

Huang said the Shanghai Bell Telephone Equipment Manufacturing Co. Ltd., a joint venture between Belgium and China, is an example of successful economic cooperation between the two countries.

Huang also met with Leon Brittan, vice-president of the European Commission to exchange views on cooperation between Shanghai and the European Community in enterprise management training programs.

Huang is on a four-day visit to the Belgian port city of Antwerp and he will proceed to Rotterdam, the Netherlands, on his European tour.

Song Jian Meets Head of FRG's Deutsche Aerospace

OW0809092593 Beijing XINHUA in English 0838
GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—Chinese State Councillor Song Jian met with J.A. Schrempp, director of the Daimler-Benz group and chairman of the board of Deutsche Aerospace AG, and his party here this afternoon.

Song, also minister in charge of the State Science and Technology Commission, had a cordial talk with Schrempp on Sino-German scientific and technological cooperation.

The German visitors are here as guests of the China Aerospace Corporation.

During their talks Schrempp and officials with the China Aerospace Corporation expressed satisfaction with the progress of their cooperation regarding the Dongfanghong 3 telecommunications satellite.

They also expressed willingness to maintain and intensify long-term cooperation in applied satellite and other scientific and technological fields, and signed a letter of intent of cooperation in the field of satellite technology.

Portuguese CP Leader Meets CPC Delegation

OW0709050993 Beijing XINHUA in English 0306
GMT 7 Sep 93

[Text] Lisbon, September 6 (XINHUA)—Alvaro Chunhal, a leader of the Portuguese Communist Party [CP], today praised China for its policy of building socialism with its own characteristics.

Chunhal, general secretary of the Central Committee of the Portuguese Communist Party, said China's practices would contribute to the international communist movement and the socialist cause worldwide.

He made the remarks at a meeting with a Chinese Communist Party delegation headed by Zhao Fulin, general secretary of the Communist Party Committee of the Guangxi Zhuang Autonomous Region.

Chunhal said communist parties in different countries should take their own courses in the light of local conditions and circumstances.

At the meeting, Zhao briefed Chunhal on the current situation in China, the establishment of the market economy in particular.

Zhao and his delegation arrived here on September 2 at the invitation of the Portuguese Communist Party.

Turkish Naval Commander Begins Beijing Visit 4 Sep**Meets PRC Counterpart 4 Sep**

OW0409200193 Beijing XINHUA in English 1334
GMT 4 Sep 93

[Text] Beijing, September 4 (XINHUA)—Admiral Zhang Lianzhong, commander of the Navy of the Chinese People's Liberation Army, met with Admiral Vural Bayazit, commander of the Naval Forces of Turkey, and his party and hosted a banquet in their honor here this evening.

At the invitation of Admiral Zhang, Bayazit and his party arrived here this afternoon on a seven-day goodwill visit to China.

Meets PLA Chief Zhang Wannian 5 Sep

OW0509124493 Beijing XINHUA in English 1203
GMT 5 Sep 93

[Text] Beijing, September 5 (XINHUA)—General Zhang Wannian, chief of the General Staff of the Chinese People's Liberation Army (PLA), met and had a cordial and friendly talk with Admiral Vural Bayazit, commander of the naval forces of Turkey, and his party here this evening.

After the meeting, Zhang gave a dinner in honor of the visitors.

Zhang Lianzhong, Navy commander of the PLA, presided over a ceremony here this morning, welcoming his Turkish counterpart. Later, they exchanged views on the building of the two naval forces and issues of common concern.

Latin America & Caribbean**Ecuador's Foreign Minister Begins Visit to Beijing****Meets Qian Qichen 4 Sep**

OW0409144793 Beijing XINHUA in English 1336
GMT 4 Sep 93

[Text] Beijing, September 4 (XINHUA)—Chinese Vice Premier Qian Qichen said here today that China wants to further promote its friendly ties of cooperation with the Republic of Ecuador through joint efforts by both sides.

Qian, also Chinese foreign minister, made the statement here this afternoon when holding talks with visiting Ecuadorean Foreign Minister Diego Paredes Pena.

Qian said the high-level contacts between China and Ecuador, two developing countries, are on the rise, and the friendship and mutual understanding between the two peoples have been further deepened.

The Chinese Government attaches importance to its traditional friendship with Ecuador, he said. "We are pleased with the latest developments in these ties and we hope that the bilateral economic, trade contacts and cooperation would be enhanced," he added.

Qian voiced his appreciation for the "one China policy" pursued by the Ecuadorean Government.

Paredes said Ecuador and China share common ground in many aspects and there exist great possibilities for bilateral cooperation.

Ecuador greatly appreciates the cooperation provided by China, he said. Ecuadorean-Chinese political ties are very good and their economic links are being augmented, he said, adding that it is the strong wish of the Ecuadorean Government to promote its friendship and cooperation with China.

On the issue of Taiwan, Paredes said that his government's posture on the issue is clear, that is, it maintains official diplomatic and political links only with the People's Republic of China.

During the talks Qian also expressed his appreciation for Ecuador's efforts to beef up its links with the Asian and Pacific countries, according to Chinese officials.

China attaches great importance to its exchanges and cooperation with the Latin American countries and views these as part of the South-South cooperation, Qian said.

He noted that the Asian and Pacific region is experiencing its most rapid economic growth ever and enjoys political stability. Cooperation with this region has bright prospects, he said.

China is delighted to see the new achievements scored by Latin America countries in their economic reinvigoration and development, he told the Ecuadorean visitors.

Paredes came here today as Qian's guest for his first official visit to China.

Countries Sign Trade Accords 6 Sep

OW0609140593 Beijing XINHUA in English 1238
GMT 6 Sep 93

[Text] Beijing, September 6 (XINHUA)—Two accords on trade and culture were signed here today between the governments of China and Ecuador.

This noon, China's Minister of Foreign Trade and Economic Cooperation Wu Yi and visiting Ecuadorean Foreign Minister Diego Paredes Pena signed an exchange of notes on China's donation of general goods to the Ecuadorian Government.

This afternoon, China's Minister of Culture Liu Zhongde and Paredes signed the 1993-1995 cultural exchange plan between their two governments.

Minister Meets Zhu Rongji 6 Sep

OW0609141893 Beijing XINHUA in English 1324
GMT 6 Sep 93

[Text] Beijing, September 6 (XINHUA)—Chinese Vice-Premier Zhu Rongji expressed the hope today that China and Ecuador would continue to enhance their friendly ties of cooperation in every sphere, especially the economic and trade ones, through joint efforts by both sides.

Zhu expressed this hope at a meeting with Diego Paredes Pena, foreign minister of the Republic of Ecuador, and his party, here this afternoon.

While extending a welcome to the Ecuadorian visitors, Zhu said the visit would certainly augment the mutual understanding and friendship between the two countries and push further the development of Sino-Ecuadorian ties of friendly cooperation.

Though far away from each other geographically, China and Ecuador share common ground in many aspects, Zhu said, adding that both are faced with the same task of maintaining world peace, developing domestic economy and improving their people's living standards.

"We see with pleasure the continuous expansion of the bilateral cooperation in politics, economy and trade, science and technology, culture and other fields," Zhu said.

China and Ecuador share the same or similar views on many major international issues and have supported and cooperated with each other in quite a few international organizations, Zhu noted.

China attaches importance to its ties with Ecuador and hopes they will continue to be expanded, he said.

"We welcome Ecuadorian businessmen to come and seek new opportunities of cooperation here," he said.

Paredes noted that relations between the two countries have been satisfactory and are developing. Ecuador strongly wishes to augment its cooperation with China in economy, trade and technology. This, he said, is in the interests of the two peoples.

Ecuador welcomes Chinese businessmen to visit and learn more about the country, he said.

During the meeting, Zhu also briefed the visitors on China's reform and open policy and its economic performance.

Paredes said that his visit provided him with a chance to see with his own eyes the achievements of China's reform and opening up. "the road chosen by China is right," he said.

This morning, Wang Hanbin, vice-chairman of the Standing Committee of the Chinese National People's Congress, also met Paredes and his party.

Party Leader From Ecuador Meets Li Ruihuan

OW0709134293 Beijing XINHUA in English 1314
GMT 7 Sep 93

[Text] Beijing, September 7 (XINHUA)—A senior leader of the Communist Party of China (CPC) said here today that the CPC attaches great importance to developing its relations with the Ecuadorian Social Christian Party (PSC).

Li Ruihuan, standing committee member of the Political Bureau of the CPC Central Committee, said this while meeting Jaime Nebot, leader of the PSC of Ecuador, and his party at the Great Hall of the People here this evening.

Li, also chairman of the National Committee of the Chinese People's Political Consultative Conference, noted that it was in 1986 that the CPC and the PSC began their friendly contacts on the basis of principles of independence, complete equality, mutual respect and non-interference in each other's internal affairs.

He expressed the conviction that the visit by the delegation will serve to promote the relationship between the two parties. He wished them a complete success during the visit.

Extending his warm welcome to Nebot on behalf of the CPC Central Committee, Li said China and Ecuador are developing countries. They shared similar sufferings in the past, and they are facing common tasks of developing their national economies, raising people's living standards and safeguarding world peace.

In the present international situation, he said, "we stand for strengthening south-south cooperation and hope that the bilateral friendly ties of cooperation will continue to be enhanced."

Nebot said the Ecuadorian Social Christian Party and people were interested in China's development, adding that the reform and opening up initiated by Deng Xiaoping have achieved a great success and brought tremendous changes in the country's society.

He noted that the two parties held many similar views on the issue of development. He expressed hope that through down-to-earth work by both sides, relations between the two parties, the two countries and the two peoples will grow further.

Political & Social**Further on Case Involving Dissident Han Dongfang****Security Official Interviewed**

*HK0709140893 Beijing XINHUA Hong Kong Service
Chinese 1121 GMT 7 Sep 93*

[Text] Beijing, 7 Sep (XINHUA)—An official of the Ministry of Public Security has answered questions posed by reporters from the XINHUA NEWS AGENCY and ZHONGGUO XINWEN SHE today.

[XINHUA] In what ways did Han Dongfang engage in anti-Chinese government activities?

[Official] In June 1989, Han Dongfang, former standing committee member of the illegal organization "Capital Association for Workers' Autonomy," was wanted for a series of activities in serious violation of the law, such as taking an active part in turmoil that aimed to overthrow the government, instigating workers and students to go on strike, gathering some 20 members from the Association for Workers' Autonomy to assault government organizations, while gravely interfering with normal work order. He gave himself up in the same month and confessed his crimes with certain expressions of repentance; consequently, he was exempted from indictment, with leniency shown by the Beijing Municipal People's Procuratorate in handling his case according to the law. After his release, he actively colluded with hostile forces outside the border and continued to gather members of the former "Association for Workers' Autonomy" to engage in illegitimate activities. In September 1992, Han Dongfang submitted his application to leave for the United States for medical treatment; out of humanitarian considerations, the Beijing Municipal Public Security Bureau consented to his leaving the country, and had a talk with him, expressing the hope that he would not do anything harmful to national interest while outside the borders; otherwise, he would be held responsible for the consequences. Han Dongfang stated that he would not engage in any activities against the Chinese Government, and put it explicitly that he could not possibly return to China should he engage in any activities against the Chinese Government.

After he went to the United States, Han Dongfang colluded with anti-Chinese organizations overseas and had their backing, and he claimed himself to be the leader of the illegitimate organization "China Free Workers' Trade Unions" [zhong guo zi you gong hu 0022 0948 5261 3945 1562 2585]. Busily, he attended some world conferences, issued speeches opposing the Chinese Government without restraint, engaged in activities against the Chinese government, and undermined China's reputation in the world. In November 1992, Han Dongfang issued a statement in the reactionary journal ZHONGGUO ZI CHUN [CHINA SPRING], saying "I have never concealed my opposition to the powers that be." On the evening of 27 April this year, Han Dongfang

attended a seminar with theme on "The New Century: A Challenge to Democracy" sponsored by the Washington based U.S. "National Foundation for Democracy," and held that on granting most favored nation [MFN] status to China, it was imperative to put pressure on China aside from additional conditions of "human rights," in a vain attempt to force the Chinese Government to give consent to the Chinese workers to found "independent workers' trade unions." At the 80th Session of the International Labor Conference held in June, Han Dongfang made a speech attacking the Chinese Government, the "Law on the Workers' Trade Unions," as well as the organization of the workers' trade unions, while spreading the rumor that "he was thrown into prison for engaging in free union activities" and speeches against the Chinese Government as well. Last July, when Han Dongfang heard a rumor about a Chinese factory suspending production, he promptly instructed some members of the former "Association for Workers' Autonomy" in Beijing to instigate the workers to go on strike, while taking the advantage to plan for the founding of an illegitimate organization of "workers' trade unions" that aimed to oppose the government. In addition, Han Dongfang actively colluded with illegitimate organizations in China, provided them with funds, engaged in remote command, dished up rumors, and instigated riots. He repeatedly asserted that he would return to China to personally lead those illegitimate organizations. The aforesaid behavior of Han Dongfang has endangered national security, seriously injured national interest, and damaged China's reputation in the world.

[XINHUA] What is your view on the incident of Han Dongfang's entry to the country?

[Official] It is obvious that outside-the-border forces hostile to China are involved in Han Dongfang incident. Han Dongfang exploited problems surrounding his return to the country to stir up trouble. This is not the action of an individual, but a premeditated and planned political action masterminded and manipulated by hostile outside-the-border organizations and under the direct command of the "Hong Kong Alliance in Support of Patriotic Democratic Movements of China" [HKA]. According to the confession of Choi Yiu-chang, a key HKA member who accompanied Han to China, Han Dongfang's entry into China was arranged by Lau Chin-shek and other HKA officials. Choi Yiu-chang himself accompanied Han Dongfang to enter China under the instruction of Lau Chin-shek. Choi Yiu-chang also confessed that Han Dongfang entered China with the intention of going to Beijing to plan and organize an anti-government "union." Incidentally, Lau Chin-shek hails from Shunde City, Guangdong. After settling in Hong Kong in 1962, he threw in his lot with a foreign intelligence organization and was involved in espionage activity. Later he returned to the country to surrender himself to our public security organs and wrote a statement of repentance. Now he has become a leader of the HKA which is hostile to China.

[XINHUA] What is the legal basis for the handling of the incident of Han Dongfang's entry to the country?

[Official] Han Dongfang's actions have broken the following laws of our country:

1. He violated Article 54 of the "PRC Constitution:" "PRC citizens are under the obligation of defending the security, name, and interests of the motherland and may not do anything that may endanger the security, name, and interests of the motherland."

2. He violated Article 4 of the "PRC State Security Law," which refers to institutions, organizations, individuals from outside the borders, or organizations and individuals inside the borders in collusion with outside-the-border institutions, organizations, and individuals which pursue, or direct or finance others to pursue, actions that endanger PRC state security.

3. He violated Article 4 of the "PRC Laws Governing the Exit and Entry of PRC Citizens," namely, "Chinese citizens may not do anything outside the country that may harm the security, name, and interests of the motherland."

Therefore, we acted in accordance with Article 13 of the "PRC Laws Governing the Exit and Entry of PRC Citizens," which provides that "the Ministries of Public Security and Foreign Affairs, the Supervision Bureau of Port Affairs, and authorities issuing relevant papers all have the authority to suspend, or declare null and void, the passports and documents issued by them or issued on their authority."

[XINHUA] What are the conditions that may allow Han Dongfang to enter the country?

[Official] The spokesperson of the Ministry of Public Security made this clear on 27 August: The Ministry of Public Security will honor what it has promised. If Han Dongfang is genuinely and sincerely repentant, he must: One, acknowledge his overseas actions that have harmed the interests and name of the country; two, pledge that he will as of now refrain from activities that oppose the Chinese Government or violate Chinese law. There will be a time during which Han Dongfang's repentance is scrutinized and tested. When his action proves as good as his word, he will be allowed to return home. Han Dongfang is welcome at any time to contact a Chinese embassy in any country that has diplomatic ties with China to report his sincere repentance. Our embassy, after confirming that he is sincerely repentant, will consider his return to the country. In the last two years, the return to the country of Li Sanyuan (formerly a key member of the Democratic Alliance and station head of Voice of June Fourth), Wu Guoguang (formerly RENMIN RIBAO senior editor and one of the founders of Democratic Front, a reactionary organization outside the country), and Xu Gang (formerly member of the Chinese Writers' Association, who became involved in the 1989 Beijing disturbance and later fled to France), were handled in this manner.

'Observation' of Han Reportedly Suggested

HK0709101393 Hong Kong AFP in English 1005 GMT 7 Sept 93

[Text] Hong Kong, Sept 7 (AFP)—China might let expelled dissident Han Dongfang return home if he steers clear of politics during a "period of observation," a pro-Beijing politician in Hong Kong said Tuesday.

Tsang Yok-sing, chairman of the Democratic Alliance for the Betterment of Hong Kong, said the idea was floated by Vice Public Security Minister Tian Qiyu at a meeting in Beijing last Friday. "In the words of the vice minister, if Mr. Han shows his sincerity not to get involved in any activities against the Chinese government, then after a period of observation ... China would be willing to allow Mr. Han to enter the country and to relieve him of any responsibility," Tsang said.

Han, 30, a labor activist, was en route home to Beijing after a year abroad when police in the southern city of Guangzhou detained him on August 14, then shoved him across the border into Hong Kong. Known as China's Lech Walesa, Han had been in the United States for treatment of acute tuberculosis contracted during 22 months in prison for his leading role in the 1989 Tiananmen Square democracy protests. China later revoked Han's passport, accused him of "subversive activities" while abroad, and declared he would have to "repent and mend his ways" before his return home could be considered. The affair raised questions about Beijing's commitment to freedom of movement for Hong Kong citizens after the colony reverts to China in 1997.

Tsang said he spoke with Han prior to seeing the vice minister in Beijing, and then again on Tuesday prior to a press conference which the dissident—who has been staying in Hong Kong with friends—did not attend. Tsang also said that, on Han's behalf, he asked Tian what exactly China wants the dissident to repent for, but the vice minister offered no elaboration.

Tian contended that Han's abrupt expulsion was in line with a section of China's Constitution which forbids Chinese nationals from engaging in anti-Chinese activities overseas, Tsang said.

Ironically, Tsang's meeting with Tian came on the same day as Han's first public speech since his expulsion, in which the dissident warned of labor unrest across China unless the Communist Party allowed free trade unions. On the same day, Governor Chris Patten accused China of flagrantly violating international law by expelling Han, and said Hong Kong people had a right to question Beijing's commitment to the rule of law in light of the affair.

Beijing Store Offers New Biography of Deng Xiaoping

OW0809092093 Beijing XINHUA in English 0841
GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—A new biography of Deng Xiaoping written by the retired leader's daughter yesterday appeared on the shelves of a Beijing bookstore.

The Central Literature Publishing House Bookstore has become the first shop to offer the 520,000-character book to the public.

The first volume of *My Father, Deng Xiaoping*, written by the 43-year-old Deng Rong under the pen name of Mao Mao, her childhood name, is being published by the Central Literature Publishing House.

Bookstores nationwide are expected to begin selling the book within several days, publishers said.

At least eight Chinese newspapers have been publishing excerpts of the 89-year-old man's story since last month, when the Chinese widely reported the book's upcoming publication.

The first day of the book's availability was marked by throngs of buyers visiting the small bookstore, which is located on a secluded street in the capital.

"I adore Deng very much. Every day I read the book's excerpts in the newspaper, but this can not quench my thirst," said Wang Changrong, a middle-aged office worker who was among the first group of buyers.

By this morning, more than 1,000 copies of the book had been sold, said Bi Jiliang, the bookstore's manager.

The 672-page-book is a retrospective of Deng's life from 1904 to 1950. The book's editor said that Deng Rong began writing the book three years ago and completed the manuscript this year. "So it is time for us to have the book on the market," Zhou said, and added that the facts contained in the biography are strictly in accordance with the historical truth.

Deng Rong, who graduated from the Beijing Medical College, is now Vice-President of the China Association for International Friendship and a deputy to the Eighth National People's Congress, China's legislature.

As the author explains in the preface, the book is dedicated to Deng Xiaoping and his comrades-in-arms and was written for children.

The book is expected to shoot high onto China's best-seller lists—400,000 copies have already been printed. The Xinhua (New China) chain of bookstores has ordered more than 100,000 copies, with the rest being directly bought by various organizations and units.

Many people have written letters to the publisher and even the writer to plead for a copy of the book. "You

must save one for me; I will buy the book no matter what the cost," wrote Chen Yongbiao, a rural preliminary school teacher from east China's Jiangsu Province.

The book will retail at 13.8 yuan (about two U.S. dollars), a moderate price in China.

Publishers said that many historical facts about Deng are revealed for the first time in Deng Rong's book. Another attraction is that it is highly unusual to come across a public figure's biography written by a family member. The writing of the book reflects the closeness of family.

But the popularity of the biography, according to critics, can be mainly attributed to the fact that because Deng Xiaoping was the chief architect of the country's opening and reform drives, everybody who cares about China's fate shows interest in Deng's experiences.

Newspapers have received many letters after publishing excerpts of the book. Most said that Deng will always be esteemed by the Chinese nation.

"It is Deng who has changed our lives profoundly; I want to review all of the information available on the world-renowned statesman," wrote Xiao Gaojian, a worker, who added that this desire became acute after Deng gave an important speech during his tour of the south last year, which eventually resulted in the call for the creation of a socialist market economy in China.

Some readers have conveyed their wishes for Deng to live a long life, and to remain healthy. They also extended thanks to the author, and said she had written a superb book.

The biography has also aroused interest overseas.

Publishers in Japan, the Republic of Korea and France as well in Hong Kong and Taiwan have obtained the right to print the book, while potential buyers from the United States and Britain are still negotiating with the Chinese side.

Daily Urges Leading Cadres To Show Honesty

OW0809023593 Beijing XINHUA Domestic Service in Chinese 1544 GMT 7 Sep 93

["Text" of a commentator's article published in the 8 September edition of RENMIN RIBAO: "He Who Cannot Command Himself Is Not Fit To Command Others"]

[Text] Beijing, 7 Sep (XINHUA)—In his important speech at the Second Plenary Session of the Central Discipline Inspection Commission, Comrade Jiang Zemin outlined three priority tasks in the anticorruption drive. The first task calls on leading cadres in party and government departments to take the lead in showing honesty and self-discipline. Leading cadres at or above the provincial and ministerial level, in particular, should

set an example. Leading cadres at all levels should understand this point thoroughly and implement it resolutely.

As the saying goes: "How can people who are not upright themselves correct others?" This saying is particularly relevant in the current anticorruption drive. Every action taken by a leading cadre has extensive influence and effect. Therefore, whether leading cadres are "upright or not" is not a personal issue but is closely related to the prestige of the party and government, as well as to the mores of a sector or region. Only by displaying honesty themselves can leading cadres have a say and gain the initiative in the anticorruption drive, practice what they preach, and effectively "correct other people." In a certain sense, whether a leading cadre can first "show uprightness himself" has a decisive effect on the fulfillment of two tasks—investigating and handling major and important cases and adamantly halting unhealthy practices.

Practice since the introduction of reform and opening up shows that the majority of leading cadres in party and government departments are "upright." They are law-abiding, honest, and self-disciplined; this is the main trend. Tremendous economic development and all-around social progress in our country over the past decade or so have resulted from hard struggles waged by the broad masses of people under the guidance of leading cadres at all levels. We must correctly assess this fact. Nonetheless, various corrupt practices do exist among a handful of leading cadres. Some of these practices are quite serious. We should heed them and make the painful decision to resolve them.

Judging by the current circumstances, the actions of a handful of leading cadres violate the criminal law and constitute crimes. "If the upper beams are not straight, the lower ones will go slant; if the middle beams are not straight, they will fall off." The actions of these leading cadres have fueled the spread of corrupt behavior and unhealthy practices on a rather wide scale, inflicting significant losses on the party's undertakings. We must firmly eradicate these degenerate elements and penalize them according to law. This approach is an essential measure to be taken by all leading cadres to "show rectitude themselves before they correct other people."

Some leading cadres abuse their power to feather their nests at public expense, angle for private gain, and engage in unhealthy practices. The public has complained bitterly about these cadres. It is hoped that these comrades will boldly conduct self-criticism during the anticorruption drive and take practical actions to remedy their errors. People have a keen power of discernment. By boldly correcting their own mistakes, leading cadres can regain the initiative and instill greater confidence within the broad ranks of cadres and people. A current trend that warrants attention is that some leading cadres do not practice what they preach. They preach Marxism-Leninism to other people but practice

mammonism themselves. While loudly paying lip service to fighting corruption, they privately rack their brains trying to trade power for money. Under the onslaught of the anticorruption drive, they have temporarily restrained themselves or adopted an evasive attitude to obscure their intentions. They plan to resume their "old ways" and fish for more fortunes once the wind blows over. A word of advice to these comrades: To go on like this is very dangerous. It would be too late to repent if they did not take the initiative in "correcting themselves" and waited for party organizations and people, or even law-enforcement departments, to "take remedial actions."

To encourage leading cadres to "correct themselves," the Central Discipline Inspection Commission recently reiterated and set forth a five-point demand forbidding leading cadres in party and government departments at or above the county (section) level to do business and operate enterprises. This demand has strong practical implications, and leading cadres must strictly observe it. Here, we would like to remind and exhort comrades who have earlier participated or engaged in these activities to enforce the demand to the letter, stop their activities and quit relevant posts as necessary, and return what should be returned. They should not take a wait-and-see attitude and drag their feet under various pretexts. The Central Discipline Inspection Commission has called for achieving remarkable achievements in different periods in the near future during the anticorruption drive. Leading cadres should first fulfill this five-point demand.

We believe that leading party and government cadres at all levels will definitely live up to the expectations of the party Central Committee and the broad masses of people, take the lead in showing honesty and self-discipline, act exemplarily, and make fresh contributions to purifying the party ranks and promoting clean administration in party and government departments as they deepen the anticorruption drive.

Article Examines Discipline Commission Session

HK0709143993 Beijing RENMIN RIBAO in Chinese
27 Aug 93 pp 1, 3

[Article by staff reporters Chen Weiwei (7115 4850 0251) and Zhai Qiyun (5049 0796 6663): "A Move Enjoying the Party's Support and According With Popular Aspirations—Roundup of Second Plenary Session of Central Discipline Inspection Commission"]

[Text] It is early autumn in Beijing, where a meeting—the Second Session of the Central Commission for Discipline Inspection—has just been held, attracting the attention of the entire party and the world. In his important speech delivered on 21 August, Jiang Zemin, general secretary of the CPC Central Committee, issued a mobilization order to the entire party on launching the anticorruption struggle. It shook the earth of our motherland like a gust from the vigorous east wind. Over the

past few days, deputies attending the meeting have held warm and thorough discussions on the speech by General Secretary Jiang and the report from Wei Jianxing, secretary of the Central Discipline Inspection Commission, through which they have reached a consensus on a number of issues concerning the anticorruption struggle.

The Alarm Bell Should Be Sounded for a Long Time

The comrades attending the meeting felt that since the Third Plenary Session of the 11th CPC Central Committee, the party had conducted substantial work with fruitful results in the building of party style and honest administration. It had created a favorable environment for reform, opening up, and economic construction, thus ensuring and promoting the healthy development of the economic construction. However, while seeing the considerable achievements attained in the anticorruption struggle and affirming the sound principal aspects of our party we should, under no circumstances, neglect the existing problems. We should soberly note that at present, the anticorruption struggle is confronted with a grim situation and our tasks will be protracted as well as arduous. The spreading trend of corrupt phenomena has not been effectively checked, some evil social habits have revived, and some prevailing practices and flash problems still universally exist to a certain extent in some areas.

When talking about the harmfulness of the corrupt phenomena, everybody felt anxious and worried. In their opinion, the malpractices in various trades and the actions in violation of law and discipline characterized by dealings of power and money which occurred in some localities and departments have seriously undermined the party's reputation, jeopardized the relations between the party and the masses, and interfered in and disrupted the healthy development of reform, opening up, and economic construction. The activities such as graft, embezzlement, bribe-taking, and others have swallowed the wealth of the state and collectives and eroded the socialist economy. The malpractices in various trades and the actions of seeking personal gain by abuse of powers have disturbed the normal economic order, dampened the initiative of the vast number of cadres and masses, and lowered the confidence of cadres and masses in the party and government.

In their speeches, many comrades pointed out that to accelerate reform and opening up and establish a socialist market economic mechanism, it is necessary to further establish and create a fine economic order, social environment, and political condition. Hence, resolutely overcoming and eliminating corrupt phenomena is the most direct and essential service provided to reform, opening up, and economic construction. Only by combating corruption justly and forcefully can we unite the masses to boost the economic construction with one heart and one mind and carry out the party's basic line in a comprehensive way.

Corruption Is a Historical Phenomenon

In the discussions, the participants also analyzed and studied the causes of engendering and spreading corrupt phenomena. They thought that corruption was a historical as well as unique phenomenon during the period of new and old structural transformation.

They felt that China is now in a period of changing track from a socialist planned economy to a socialist market economy. The two structures are exercising their respective roles and this has led to collisions, friction, and disorder. In the transition period from disorder to orderliness, the phenomena of imperfect structures, unsound legal systems, and uncoordinated policies will certainly emerge and some loopholes and weak links will also exist. Hence, there will be opportunities which are liable to be seized by people violating the law and discipline. A host of facts show that the period in which new and old structures undergo transformation may be an easy and frequently-occurring period for corrupt phenomena. Decayed things are usually liable to breed and spread in the course of the new replacing the old; likewise, in the economic domain, the links and parts in which the contradictions between supply and demand are conspicuous are generally principal places of activities for people engaging in speculation and profiteering in violation of the law and discipline. To put an end to corrupt phenomena once and for all, we must depend on the in-depth reform in economic and political structures, on the improvement of the socialist legal system, and on the perfection of market economic operational mechanisms. Therefore, since the anticorruption struggle will take a long process, which cannot be solved in one battle, we must set up the thinking of conducting protracted operations.

Some delegates maintained: Under the present condition of reform and opening up, the existence of corrupt phenomena is an objective reality independent of man's will. So long as there are public powers, a commodity economy, and currency in society, and so long as individual interests, which have already been split up among different interest parties, are recognized by society, in addition to the loopholes that still exist in some of our systems in the course of the in-depth reform and the establishment of the socialist market economy, then corrupt phenomena will possibly come into being. Only by objectively looking upon the inevitable character of the emergence and existence of corrupt phenomena in the initial stage of socialism can we face up to, study, and check them.

Confidence Stems From Our Own Strength

During discussions, delegates were full of confidence and hope in resolving the problem of eliminating corrupt phenomena. They said: Corruption is an extremely pernicious problem of a general character, by which mankind has been plagued in the course of social development. Basically, regardless of the political and economic systems at all times and in all lands, the ruling class of all

countries will not allow corrupt phenomena to breed and develop wantonly and there has always been an issue of preventing corruption and establishing clean and honest administration. However, the exploiting classes' intrinsic nature has meant that it cannot basically eliminate corruption because the system itself is the soil which grows corruption. The anticorruption waged by the government of the exploiting class is nothing but an expedient measure to maintain its rule and mitigate class contradictions so, eventually, it is brought to ruin by corruption. Our country is a socialist state under the leadership of the Communist Party and with public ownership and division according to work as the main body. An important aspect of the superiority of the socialist system over social systems of the exploiting class is that it has provided the precondition of diminishing and radically curing corrupt phenomena. Guaranteed by the firm determination of the party and the people's government, the superiority of the socialist system, and the powerful support of the broad masses, we are confident and capable of putting an end to corrupt phenomena once and for all.

A number of comrades held that in the anticorruption struggle, we should note the grim situation. On the other hand there is the possibility of winning a victory in the struggle. First, the party Central Committee, with Comrade Jiang Zemin at the core, has paid serious attention to building party style and honest administration, placing the work against corruption in an important position. This is the crux upon which the victory of the struggle hinges. Second, the broad masses have shown concern for, supported, and taken part in the anticorruption struggle as the basic forces for winning a victory. Third, our contingent of anticorruption personnel are loyal to the party and trusted by the people. They have upheld principles, sought truth from facts, coordinated with various law enforcement and supervision departments, and built up concerted strength to combat corruption. This is a major guarantee for wresting victory in the struggle. Fourth, we have accumulated much experience over the years such as establishing internal and external restrictive mechanisms to curb abuse of powers; focusing on rectification of specific operations to check widespread unhealthy tendencies; deepening reform to reduce the soil which breeds malpractices; laying equal stress on ideological education and system institution to achieve the best results; basing ourselves on taking precautions to resolve problems before they become common practices; taking overall control of the problems with collective efforts to minimize the corrupt phenomena; stressing the needs for leading cadres to attend to the work personally and strengthen leadership to ensure fruitful achievements; and so on.

The Key Lies in Doing Solid Work

From the high plane of party building and political power building, General Secretary Jiang Zemin penetratingly expounded the importance and urgency of the anticorruption struggle, pointed out it was a vital event bearing on the life and death of our party, and stressed

determination to firmly and properly grasp the struggle so that good results will be achieved.

How should we put into effect the spirit of Comrade Jiang Zemin's instructions to score achievements by stages in the near future? In their speeches, quite a few comrades said the key lay in solid work.

Some comrades said: Whether the work against corruption can be conducted properly rests with the leadership. All the party must go into action and leading cadres must ensure that work is carried out by those at the lower levels, so that a responsibility system is instituted. If the principal party and government leaders take up matters themselves, all knotty problems, although long-standing, serious, and difficult, will become much less difficult and all serious cases will be solved; conversely, if they show no concern and do not attend to the work it will be very difficult to resolve problems. Leading cadres must also pay serious attention to setting a good example by working honestly with self-discipline, as also must their children, relatives, and personnel working with them. "If the upper beams are not straight, the lower ones will go askew, and if the middle beams are not straight, the house is bound to collapse." If leading cadres do not make examples of themselves, it is very difficult to carry out the central deployment and our efforts to combat corruption will become empty talk.

Many comrades held that seizing big and vital cases was an important move to combat corruption, encourage honesty, and inspire the people. The work should be conducted resolutely on a long-term basis. First, we must strictly enforce the law and discipline and firmly and forcefully grasp the cases in violation. We must not be soft-hearted in handling corrupt elements. The masses will judge from our actions whether or not our party is determined to punish these elements and whether or not we are really serious. Only by executing the law strictly can we rectify corruption, enforce party discipline and state laws, warn others to deter anyone from committing the same errors, and really win the people's confidence.

The participants also said: While heeding checking and acting on the cases, we should also seriously take preventive measures, conduct education work, improve and amplify legal system, and work out realistic regulations and methods to conduct rectification in a comprehensive way. Otherwise, it will be difficult to sustain combating corruption and malpractices in various trades and carry out the strategic deployment of the central authorities.

After several days of earnest discussion, consensus was reached: The anticorruption struggle is a rigorous one, protracted and formidable. However, with the staunch leadership of the party Central Committee, with Comrade Jiang Zemin at the core, and with the support and participation of the vast numbers of party members, cadres, and masses, we are filled with confidence and promise in this move which enjoys the party's support and accords with popular aspirations.

CPC Rules for Handling Charges, Petitions

OW0509103793 Beijing XINHUA Domestic Service in Chinese 0134 GMT 2 Sep 93

[Text] Beijing, 2 Sep (XINHUA)—Rules of CPC Discipline Inspection Organs for Handling Charges and Petitions

(Adopted at a CPC Central Commission for Discipline Inspection Standing Committee meeting on 21 May 1993)

Chapter I. General Principles

Article 1. Handling accusations and charges against party members and organizations as well as petitions of defense from party members and organizations is an important duty and responsibility of the party's discipline inspection organs. These rules are formulated in accordance with the relevant provisions of the party Constitution.

Article 2. Handling charges and petitions is an important task of the party's discipline inspection organs in implementing the party's mass line, in maintaining party discipline, and in promoting the improvement of party style by relying on the masses. It is an important channel for the masses within and without the party to fully exercise their democratic rights to supervise party organizations and members, particularly party members who are leading cadres; and it constitutes the basic work of discipline inspection.

Article 3. The scope of handling accusations, charges, and petitions by discipline inspection organs shall cover: accusations and charges against party members and organizations for violating the party Constitution or other inner-party rules and regulations, or for violating the party's line, principles, policies or resolutions; accusations and charges against the wrongdoings of seeking personal gain using one's position or power, or other acts that undermine party style; petitions of defense lodged by party members and organizations that are dissatisfied with the party's disciplinary action or with other measures taken against them by discipline inspection organs; and other problems involving party discipline and style.

Article 4. The guiding ideology for handling charges and petitions shall be: to implement the party's basic line; adhere to the principle of running the party strictly; serve the improvement of the party's work style, the establishment of an honest administration, and the maintenance of stability and unity; and ensure a smooth process of economic construction.

Article 5. The basic principles for handling charges and petitions shall be:

1. handling problems in accordance with the provisions of the party Constitution and policies;
2. seeking truth from facts and using facts as the basis;
3. implementing the system of democratic centralism;

4. safeguarding the democratic rights of the person concerned;

5. fixing and dividing the responsibility among the departments concerned at different levels in handling accusations, charges, and petitions; and

6. combining the efforts of solving practical problems with ideological education.

Article 6. Discipline inspection commissions above the county level (inclusive of the county level) should establish a department for handling charges and petitions; staff it with full-time cadres; set up a place to receive the masses; make public the relevant rules and regulations; and provide the essential conditions for the masses both inside and outside the party to lodge accusations, charges, and petitions.

Chapter II. Procedures and Methods for Handling Accusations, Charges, and Petitions**Section I. Procedures for Handling Accusations and Charges**

Article 7. After receiving accusations and charges against members of the CPC Central Committee or the Central Commission for Discipline Inspection for violating party discipline, the Central Commission for Discipline Inspection should conduct preliminary verification. Cases that need to be filed and investigated should be submitted to the party Central Committee for approval. Upon receipt of accusations and charges against the aforesaid members, commissions for discipline inspection below the central level should promptly report the cases to the Central Commission for Discipline Inspection.

Article 8. Commissions for discipline inspections below the central level should, upon receipt of accusations and charges against members of the party committees or commissions for discipline inspection of the same level for violating party discipline, carry out preliminary verification, and cases that call for filing and investigation should be reported to party committees of the same level for approval; and those involving standing committee members should be reported to the commission for discipline inspection at a higher level for approval after reporting to the party committee at the same level.

Article 9. Accusations and charges of party discipline violations brought against cadres with party membership, other than those listed in Articles 7 and 8, should be handled according to the affiliation of the cadres concerned; problems of party cadres that come under the administration of the party committee of a particular level should be handled by the commission for discipline inspection of that particular level. Important cases should be reported to the commission for discipline inspection at a higher level which may directly investigate and handle the cases if deemed necessary.

Article 10. Accusations and charges against ordinary party members shall be investigated and handled by

party organizations to which the members concerned are attached; the commission for discipline inspection at a higher level may directly investigate and handle the cases if deemed necessary.

Article 11. Commissions for discipline inspection below the central level must, upon receipt of accusations and charges against party committees at the same level, report the cases for handling by commissions for discipline inspection at a higher level.

Article 12. Accusations and charges against party members and party organizations that need to be filed and investigated should be handled according to the relevant provisions governing the handling of cases by party discipline inspection organs. For cases that need not be filed but the accused or charged persons are found to have weaknesses or faults indeed, the discipline inspection organs or party organizations concerned may order the accused or the charged persons to make a self-examination or explanation, or educate them through criticism in the course of inner-party life.

Article 13. After cases of accusations and charges have been dealt with, the discipline inspection organs or party organizations concerned shall inform the accusers or the complainants of the results of handling and listen to their opinions. Results of investigating and handling accusations made by anonymous persons may be made public within appropriate limits, if necessary.

Section II. Procedures for Handling Petitions

Article 14. Cases of petition made by party members or party organizations that are dissatisfied with any party disciplinary action taken against them shall be handled by the party committees or commissions for discipline inspection that have endorsed the action. If the party committees or commissions for discipline inspection that originally approved the party disciplinary action have been disbanded, the petition shall be handled by the party committees or commissions for discipline inspection of the corresponding level to which the petitioners are currently affiliated.

Petitions from party members and party organizations that are dissatisfied with other actions taken by the discipline inspection organs shall be handled by the discipline inspection organs that decided on the actions.

Article 15. If the petitions lodged by party members or organizations justify reexamination and reconsideration, the reexamination and reconsideration should be handled according to the relevant provisions governing handling of cases by the party's discipline inspection organs. As to petitions that do not justify reexamination and reconsideration, the discipline inspection organs and party organizations handling the cases shall explain the reasons to satisfy the petitioners.

Article 16. If the original conclusion or decision is found to be correct during reexamination and reconsideration, it is necessary to make a decision to maintain the original

conclusion or decision and report the new decision to the party committees or commissions for discipline inspection that originally approved the conclusion or decision for their approval to close the cases. Should the original conclusion or decision need to be changed, a new settlement decision should be made and implemented with the approval of the party committees or commissions for discipline inspection that originally approved the conclusion or decision. If the reconsideration and reexamination conclusion or decision was made by the party committees or commissions for discipline inspection that originally approved the conclusion or decision, it is unnecessary to go through the above-mentioned formalities.

Article 17. The commissions for discipline inspection at a higher level may directly reconsider and reexamine the cases in response to the petitions lodged by party members or organizations, if deemed necessary, or they may instruct the [lower-level] party committees and commissions for discipline inspection concerned to do the work.

Article 18. After reconsidering and reexamining the petitioned cases, the party committees or commissions for discipline inspection concerned shall inform the petitioners of their comments on the cases and their reconsideration and reexamination decisions and hear the petitioners' opinions. The petitioner should be given a written copy of the conclusion or decision.

Article 19. If the petitioners are not satisfied with the reconsideration and reexamination conclusion, the party committees or commissions for discipline inspection that approved the conclusion shall submit the petitioners' opinions, together with the reconsideration and reexamination conclusion and related data, to the next higher-level party committee or commission for discipline inspection for examination and decision.

Section III. Fundamental Ways To Handle Accusations, Charges, and Petitions

Article 20. Major situations and problems of accusations, charges, and petitions may be reported without delay to the leading organs, the leading cadres, and the departments concerned in appropriate written form.

Article 21. Accusations and charges against any party-member cadres under the supervision of a party committee at a certain level and petitions lodged by them shall be handled respectively by the department in charge of case reviewing and the department in charge of case handling under the commission for discipline inspection at the same level. Important cases may be handled in accordance with written instructions from the leaders of the commission for discipline inspection of the same level.

Article 22. According to the principle of dividing responsibility at various levels, accusations, charges, and petitions involving party-member cadres under the supervision of lower-level party committees or involving

ordinary party members shall be passed on to the corresponding-level discipline inspection organs or party organizations concerned for handling. Important cases may be passed on, together with written instructions, to the lower-level discipline inspection organs or party organizations concerned for investigation and handling. In some cases, the discipline inspection organs and party organizations may be instructed to submit reports on the results of investigations and handling.

Article 23. After accusations, charges, or petitions are passed on to lower-level discipline inspection organs or party organizations concerned for handling the issues, the higher-level discipline inspection organs may adopt such methods as inspection, asking the case handlers to expedite matters, participating in the investigation, and taking part in discussing how to handle the case to help solve problems timely and correctly.

Article 24. Anonymous accusations must be given a specific analysis, each dealt with on its merits, and handled prudently. Accusations without concrete facts may be ignored. If the accusations reflect general or minor problems, the accused may be shown excerpts of the accusations and be instructed to make a self-criticism or explanation. Accusations that reflect major problems may be verified first so that ways on handling the cases may be decided. Those reflecting reactionary intentions may be handed over to the public security departments for handling.

Chapter III. Duties and Work Requirements of Organizations Accepting and Hearing Cases

Article 25. In accusation and petition work, discipline inspection organizations at all levels have the following responsibilities: accepting and hearing reports of offenses, accusations, and petition cases that fall within the scope of the regulations concerned and try to understand the situation of party work style and party discipline, as well as the clues in discipline-violation cases; directly handle reports of offenses, accusation, and petition cases or assign the work to the discipline inspection organizations or relevant party organizations at a lower level; and direct and assist the discipline inspection organizations at a lower level to do well the accusation and petition work.

Article 26. Discipline inspection committee departments at all levels in charge of accusation and petition work have responsibilities in handling the routine work of reports of offenses, accusations, and petition. They should perform the following duties in accordance with the decision of the discipline inspection committees of the same level and with relevant rules and regulations:

1. accepting and hearing reports of offenses, accusations, and petition cases through handling letters and visits from the masses;
2. reporting to the discipline inspection committees of the same level on the situation and problems concerning reports of offenses, accusation, and petition;

3. undertaking reports of offenses, accusations, petition, and other cases assigned by the discipline inspection committees of the same level or a higher level;

4. turning over reports of offenses, accusations, and petition cases to other relevant departments of the discipline inspection committees of the same level, or assigning them to the discipline inspection committees and party organizations of a lower level, and turning over to other relevant departments for handling the correspondence and visitation problems that do not fall within the jurisdiction of the discipline inspection organizations;

5. conducting investigations and studies of accusation and petition work, formulating rules and regulations governing accusation and petition work, and providing work guidance to the discipline inspection committees of a lower level concerning accusation and petition work; and

6. coordinating and handling the correspondence and visitation problems, appeasing by reasoning with the masses who want to air their complaints to higher authorities, and maintaining normal work and social order.

Article 27. Discipline inspection organizations at all levels should accept and hear reports of offenses, accusations, and petition cases without any delay. They should promptly report those cases that are to be handled by those at a higher level; relevant leaders or organizations at any level should handle problems that should be handled on that level in a timely fashion. Problems that should be handled by organizations at a lower level should be promptly transferred to them.

Article 28. As a general rule, discipline inspection organizations or relevant party organizations should report within three months the results of investigations and handling of reports of offenses, accusations, and petition cases to the discipline inspection committees of a higher level that make such a demand. If such a report cannot be made in time, reasons for the delay and the handling situation should be explained. Investigations and handling of those reports of offenses, accusations, and petition cases that are not required to have reports on their results made should also be handled in a timely fashion. Putting them aside and neglecting them or muddling with one's duties is not allowed.

Article 29. When reporting to the discipline inspection organs of a higher level about the results of handling reports of offenses, accusations, and petition cases, complete information is required.

Reports on the results of handling reports of offenses and accusation cases must include the following materials:

1. investigation reports and case conclusions.
2. opinions about the investigations and handling of the cases expressed by those who report on offenses or accusations and by those who are reported on or accused.

When different opinions are raised by those who make the reports of offenses or accusations or by those who are reported on or accused, explanations made by the handling units concerning the different opinions should be attached.

3. for those who are found to have made mistakes and are ordered to conduct self-criticism or are punished by their own organization, their written self-criticism or punishment decision should be attached.

4. opinions about the examination of the cases expressed by the organizations that file the reports.

Reports on the results of handling petition cases must include the following materials:

1. decision of initial handling, conclusion of reconsideration, or report and conclusion of reexamination of the cases.

2. opinions expressed by the petitioners about the conclusion of reconsideration and reexamination of the cases. When the petitioners raise different opinions, explanations made by the handling units concerning the different opinions should be attached.

3. opinions about the examination of the cases expressed by the organizations that file the reports.

Article 30. After examining the report on the results of investigations and handling of cases filed by the discipline inspection committees or relevant party organizations of a lower level, the discipline inspection committees of a higher level should conclude the cases that have been handled correctly in a timely fashion; the discipline inspection committees of a higher level should raise opinions and suggestions in a timely fashion if cases have been improperly handled. If different opinions about major issues exist between the discipline inspection committees of higher and lower levels, the decision shall be made by the discipline inspection committees of a higher level. If the discipline inspection committees at a lower level have made mistakes in handling cases but refuse to make corrections, the discipline inspection committees of a higher level have the power to change the decision of the cases made by the discipline inspection committees of a lower level.

Article 31. After the accomplishment of investigations and handling of reports of offenses, accusations, and petition cases, units that handled the cases and units that assigned the cases to other units should establish files for the record in a timely fashion in accordance with regulations governing filing work.

Article 32. The legal rights and interests of the parties concerned should be protected. The names of those who make reports of offenses or accusations as well as the contents of the reports or accusations should be kept secret. The information concerning the reports of offenses or accusations should not be transferred to those who are reported on or accused. Any actions discriminating against, finding faults with, or suppressing those

who make reports of offenses, accusations, or petition are not allowed. People who retaliate on those who make reports of offenses, accusations, or petition, must be investigated and severely dealt with.

Article 33. Truthful reports of offenses, accusations, or reflection of the situation should be supported and encouraged. As to reports of offenses and accusations that are not totally truthful, it is necessary to handle the truthful part, in addition to explaining the untruthful part. As to untruthful reports of offenses and accusations, it is necessary to make clear whether they are mistaken or false accusations. If they are mistaken accusations, it is necessary to clarify the rights and wrongs within a certain scope, eliminate the impact on those who are mistakenly accused, and educate those who lodge the mistaken accusation. If they are false accusations, it is necessary to affix the responsibility on those who make the false accusations and handle them strictly.

Article 34. Verification of false accusations must be approved by party committees or commissions for discipline inspection at and above the prefecture and city level (including prefecture and city level).

Article 35. Petitions lodged by party members and organizations who disagree with party discipline reprimands or other settlement by the discipline inspection organs must be handled in a seeking-truth-from-facts manner according to the principle of correcting wrongs whenever there are any. All unjust charges and misjudged and false cases must be corrected in a seeking-truth-from-facts manner, no matter if they were handled and approved by organizations at any level or by whatever leader.

Article 36. It is necessary to criticize and educate party organizations or their responsible persons who are careless in reconsidering and reexamining cases petitioned by party members or party organizations, who insist not to correct unjust charges or misjudged or false cases, who are irresponsible for reports of offenses and accusations accepted, who procrastinate in handling cases without reason, or who plead for mercy for and shield those who violate discipline. In serious cases, it is necessary to investigate and affix the responsibility.

Article 37. In reports of offenses, accusations, and petitions that are correctly settled and parties concerned still bother the responsible organs without reason and thus disrupt their work, it is necessary to criticize and educate them. For those who do not listen to advice and refuse to mend their ways despite repeated admonition, public security departments may be asked to help handle the problem.

Article 38. The organs that accept the cases and their working personnel must accept supervision by the masses inside and outside the party over their performances in upholding principles, implementing policies, and abiding by discipline and laws; as well as their

impartiality in enforcing discipline, honesty in performing official duties, and work style.

Article 39. The leadership of discipline inspection organs at all levels must personally read and comment on reports regarding important cases of accusation, charge, and petition; meet and talk with the parties concerned; and handle them. They must support the personnel who undertake the handling of the cases to perform their duties, and protect their legitimate rights and interests.

Chapter IV. A Litigant's Rights and Obligations Article 40. Those who lodge accusations, charges, or petitions have the following rights when they do so:

1. They have the right to lodge accusations and charges against law and discipline violations committed by party members and party organizations.
2. If party members refuse to accept the disciplinary measures or other punishment meted out by discipline inspection organs, they have the right to lodge petitions requesting reconsideration and reexamination.
3. If litigants have received no reply to their accusations, charges, or petitions within a certain time limit, they have the right to make inquiries with the organs that accept their cases, and demand responsible replies.
4. Litigants have the right to request avoiding meeting with the people undertaking the handling of their cases but who are involved or implicated in the details of their accusation, charge, or petition cases.
5. Litigants have the right to lodge accusations and charges of dereliction of duty or other discipline violations committed by the organs that accept their cases and by the personnel who undertake the handling of their cases.
6. If the litigants' legitimate rights are threatened or violated due to the lodging of accusations, charges, or petitions, they have the right to request the organs that accept their cases give them protection.

Article 41. Those who lodge accusations, charges, or petitions must fulfill the following obligations when they do so:

1. Litigants must take responsibility for the truthfulness of the facts mentioned in their accusations, charges, or petitions. When they accept investigation and inquiry, they must attest to the situation and provide evidence strictly according to the facts. In case they are found guilty of framing or fabricating evidence against the accused, they must take disciplinary responsibility.
2. They must abide by party discipline and the relevant provisions governing handling of charges and petitions and maintain social and work order; failing to do so will subject them to education, advice, and even disciplinary responsibility; and

3. They must accept party organizations' correct opinions and refrain from making demands beyond what the party Constitution, system, or policy stipulate.

Article 42. In the process of a party organization handling accusations and charges against a person, the accused or charged person shall have the rights to:

1. offer explanations to accusations and charges against him;
2. participate and defend himself in discussion sessions organized by a primary party organization to determine party disciplinary action against him or other options;
3. request the party organization to keep him informed of the results of investigation or handling;
4. appeal to party organization of a higher level up to the Central Committee if he holds different opinions about a party organization's findings on the fact and nature of his mistake and its decision;
5. lodge an accusation or charge against any dereliction of duty or other discipline violations committed by the organs and personnel handling his case;
6. request protection from organs that accept his case when his legitimate rights are threatened or infringed.

Article 43. In the process of a party organization handling accusations and charges against a person, the accused or charged person must fulfill the following obligations:

1. He must cooperate with the party organization in thoroughly investigating the accused or charged issues by truthfully providing circumstances and witnesses, accepting investigation and inquiries, and taking the initiative to account for questions; he must take disciplinary responsibility for any act of concealment, frame-up, or resistance;
2. he must correctly treat his mistakes, conscientiously examine them, and accept blame; and he must not violate the organization's decision; and
3. he must respect the rights and responsibilities of the person who makes the accusation or charge and the personnel who handle his case. He must take disciplinary responsibility for utilizing his authority of office to retaliate against the person who makes the accusation or charge or the personnel who handle his case.

Chapter V. Supplementary Articles

Article 44. As these regulations are formulated to handle accusations, charges, and petitions within the party, discipline inspection organs and party organizations at various levels must strictly enforce them.

Article 45. In accordance with their actual conditions, the discipline inspection committees of various provinces, autonomous regions, and municipalities, and the discipline inspection work committees of organs under

the Central Committee and organs under the central government may formulate detailed rules or concrete provisions for the implementation of these regulations and submit them to the CPC Central Discipline Inspection Commission for record.

Article 46. Chinese People's Liberation Army discipline inspection organs may formulate their own provisions for handling charges and petitions by referring to these regulations.

Article 47. The CPC Central Discipline Inspection Commission shall be responsible for the interpretation of and amendment to these regulations.

Article 48. These regulations shall come into effect on 1 September 1993 and shall supersede any other provisions governing the handling of charges and petitions if they are inconsistent with these regulations.

Central Authorities Intensify Drive Against Corruption

HK0809062893 Hong Kong WEN WEI PO in Chinese
7 Sep 93 p 2

[Dispatch by staff reporter Chen Chien-ping (7115 1696 1627): "Central Authorities Will Send Anticorruption Inspection Groups to Various Localities in October and Will Announce the Results to Society"]

[Text] Beijing, 6 Sep (WEN WEI PO)—As revealed by an authoritative source here, in order to conscientiously push forward the anticorruption struggle, the central authorities definitively called for instituting an anticorruption struggle responsibility system and for fully exercising the role of the state's functional departments. According to arrangements by the central authorities, the Central Commission for Discipline Inspection and the Central Organization Department are in charge of supervising and inspecting the honest and self-disciplined conduct of the leading organs and cadres. The Ministry of Finance, the State Planning Commission, and other departments are in charge of checking and acting upon malpractices concerning the abuse of powers. The Ministry of Foreign Economic Relations and Trade Cooperation, along with other relevant departments, are responsible for examining and dealing with economic entities run by party and government organs.

At the end of October, the central authorities will send inspection work groups to carry out an overall examination of the status of the drive against corruption in the central and State Council organs, various ministries, commissions, and offices, and various provinces, municipalities, and autonomous regions, and the investigation results will be made public to society.

As assigned by the central authorities, before the end of this year, the central and State Council organs, as well as the provincial organs at the departmental level, should sum up the anticorruption struggle in their departments and regions at the present stage and make arrangements

for the struggle next year. Specific reports on the above conditions should be submitted to the central authorities accordingly.

It has been learned that the CPC hierarchy recently made concrete deployments for the anticorruption struggle before the end of this year, which include the following three major tasks—proposing the criteria of honesty, self-discipline, self-examination, and self-investigation for judging party and government leading cadres; setting the focal points for checking and acting on serious and major cases; and bringing forth the most important problem of vigorously checking several malpractices that have had strong repercussions among the masses. We must strive to score remarkable results by the end of this year in order to raise morale within the party and among the people.

The above source said: The three major tasks for the drive against corruption in the near term, which were assigned by the central authorities, are as follows:

1. Intensifying honest administration in party and government organs. Cadres at and above the county section level should undergo self-discipline examinations, which mainly includes the "11 prohibitions" for party and government organs and cadres. (For details, please refer to page two of this newspaper's 26 August edition)
2. Giving priority to checking and acting on a number of serious and major cases, particularly on the problem of abuse of power.
3. Vigorously checking several malpractices that have had strong repercussions among the masses, including arbitrary charges collected by party and government organs and law enforcement organs, publicly funded overseas travel arranged by taking advantage of their authority, and so on.

The central authorities called for taking immediate action to check the above-mentioned arbitrary charges. The central and State Council organs must complete their screening of the arbitrary charge items before the end of September and must ensure that the collection of such charges is rectified in the course of screening. Two lists of the arbitrary charge items already screened should be made public by the end of October and November respectively.

With regard to the issue concerning the self-examination and self-investigation of cadres at and above the county section level, the central authorities proposed that the task be fulfilled before the end of October. All the gift money and negotiable securities accepted in official activities must be handed over by this deadline; otherwise, they will be considered illegal profits, and responsibility for them will be investigated and affixed.

Public Security Minister Discusses Fighting Corruption

OW0809134593 Beijing XINHUA Domestic Service in Chinese 0323 GMT 31 Aug 93

[By RENMIN RIBAO reporter Mao Lei (3029 4320) and XINHUA reporter Zhang Sutang (1728 1372 1016)]

[Text] Beijing, 31 Aug (XINHUA)—Public Security Minister Tao Siju said today that leading cadres from all public security organs must be fully aware that it is especially important for them to fight corruption, and public security personnel must make earnest efforts to wipe out corruption among themselves, perform their duties honestly, discipline themselves, be model policemen, stop collecting unwarranted levies, and seriously deal with all cover-ups whenever they have been discovered.

Addressing a national conference attended by discipline inspection commission secretaries from public security departments and bureaus today, Tao Siju said that public security personnel must act firmly to maintain unity with the party Central Committee under all circumstances. He said that their attitude and moves toward the current anticorruption drive will serve as a measure to gauge whether they act in unity with the party Central Committee.

It has been learned that public security organs in all localities have been given the assignment of handling a number of major cases, punishing a number of corrupt elements, stopping the collection of unwarranted levies, halting the ill trend of taking part in or covering up smuggling, and censuring the misconduct of abusing power for personal gain and accepting bribes in violation of the law—all before the end of the year.

Tao Siju stated: Public security organs must take the lead in fighting corruption because they are working on the forefront of maintaining social stability and public safety. Leaders at all levels must take the lead in following the 10-point regulations about honesty and self-discipline which the Public Security Ministry Party Committee has drawn up. While it is true that public security organs have financial problems, they must by no means solve problems through illegitimate means, no matter how financially difficult they may be. They must never use their law-enforcement power to make money or collect unwarranted fees at any time. Although public security officers cannot be considered to have high pay, and their operating budgets are small, they are not allowed to seek personal gain illegally, even if their pay is low. These two issues should never be related. Above all, we must never tolerate the development of corrupt phenomena on the grounds of low pay; otherwise, the nature of our public security personnel will degenerate.

The minister said: Unless we take the initiative to expose problems and act resolutely to wipe out corruption, we cannot possibly build a stronger contingent of public

security personnel, give full play to the role of public security organs, and win greater credibility from the party and the people.

To eliminate the conditions for corruption to generate and to stop the loopholes that induce corruption, the next move for public security organs will be to establish sound supervisory mechanisms to institutionalize, standardize, and codify anticorruption efforts into regulations. All rates of services related to the masses' interests, as well as all procedures and policies for handling cases, issuing documentation or licenses, and changing one's residence from a rural to an urban area, will be made public in order to be supervised by the masses. They will also set up hot lines for the public to voice complaints and report criminal misconduct.

Film Censorship Regulations To Be Promulgated

HK0809115693 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1101 GMT 6 Sep 93

[Text] Hong Kong, 6 Sep (ZHONGGUO TONGXUN SHE)—After five years of discussion and repeated amendments, the Regulation of the People's Republic of China on Film Censorship will be promulgated in the near future.

The provisional stipulations of film censorship are comprised of 27 articles in six chapters totaling 2,200 characters. The contents cover the scope of censorship, duties of censorship organizations, application procedures, detailed rules and regulations, rules of penalties, supplementary articles, and so on.

Chapter 4 of the "Regulations" is the crucial part, which definitely stipulates the scope of censorship as follows: Violating the state's Constitution and law; infringing on national interests, social stability, national dignity, and national unity; violating the state's existing policies; going against public moral standards; going against science and propagating superstition; exerting strong sensual stimulation; publicizing sexuality, nakedness, violence, or displaying in detail the means of committing crimes; damaging the physical and mental health of underage children with plots inducing the degeneration of teenagers; and other content and plots that should be banned.

In addition, the regulations also stipulate detailed rules of penalty, under which any cinema that shows a film without obtaining permission to show it publicly will be punished by a fine not exceeding 100,000 yuan, and the profits earned illegally will be confiscated. With regard to serious cases, legal responsibilities will be investigated. The right of final appeal for film censorship is vested in the Ministry of Radio, Film, and Television, which has authorized the State Film Administration to take charge of the film censorship organizations.

Major Works Published To Mark Mao's Anniversary

OW0709142493 Beijing XINHUA Domestic Service in Chinese 1546 GMT 5 Sep 93

[Text] Beijing, 5 Sep (XINHUA) — To mark the 100th anniversary of Mao Zedong's birth, the *Mao Zedong Anthology* and five other important books approved by the CPC Central Committee, edited by the Central Party Literature Research Center and jointly compiled by the relevant departments under it, will be published and put on sale from this December.

The *Mao Zedong Anthology*, edited by the Central Party Literature Research Center and published by the People's Publishing House, is another multi-volume collection of Mao Zedong's general works following the publication of four volumes of the *Selected Works of Mao Zedong*. The first and second volume will be published this year. The selection of drafts for the anthology covers the period from 1921 to 1976 and includes many important articles, speeches, telegrams, letters, investigative reports, news articles, remarks, speech outlines, instructions, and notations, which were not collected in the *Selected Works of Mao Zedong*. Many of the manuscripts in the anthology are being published for the first time. The anthology covers Mao Zedong's thought, theories, strategies, and policies, and includes his views on work style and methods.

The *Mao Zedong Military Anthology*, jointly compiled by the Central Party Literature Research Center and the Military Science Institute, and published by the Military Science Publishing House and the Central Party Literature Publishing House, is by far the most systematic and exhaustive multi-volume special anthology ever compiled on Mao Zedong's military works. The anthology, in six volumes totaling over 2.5 million characters, covers some 1,600 manuscripts, most of them being published for the first time. Mao Zedong's military theories and a large quantity of telegrams, instructions, and orders drafted by him have been systematically included in this anthology. Rich in military dialectics, the anthology records the theories, strategies, and warfare principles of the Chinese revolutionary war as well as the ideology behind the building of the people's army.

The *Mao Zedong's Diplomatic Anthology*, jointly compiled by the Foreign Ministry and the Central Party Literature Research Center, and published by the Central Party Literature Publishing House and the World Knowledge Publishing House, is a special anthology on Mao Zedong's views on diplomacy. The anthology collects many of Mao Zedong's major works on diplomacy published during the War of Resistance Against Japan and the early 1970's. It contains a large number of manuscripts and transcripts of talks with foreign dignitaries, most of them being published for the first time. The anthology records the establishment of New China's thinking on international strategy, formulation of its foreign policies, major victories it scored in the diplomatic struggle, and the creation of a new situation in

diplomatic work. It also records the historical achievements scored by Mao Zedong in diplomatic work.

A Chronicle of Mao Zedong's Life (1893-1949), compiled by the Central Party Literature Research Center and published by the People's Publishing House and the Central Party Literature Publishing House, is the first annalistic-style book published in China that records Mao Zedong's Thought, life, and outstanding achievements in great detail. This book collects the essence of Mao Zedong's Thought, provides an account of his life and the development of his thought, and records the arduous course of his integrating the universal truth of Marxism with China's revolutionary practice as well as the great successes he achieved. It contains a lot of accurate material and uses a large amount of archive data, much of which is being published for the first time. It is an historical record that can be used as a reference book, an academic research tool, and a biography. It is an essential book in the study and understanding of Mao Zedong and CPC history.

Mao Zedong, a picture album, was jointly compiled by the Central Party Literature Research Center and the XINHUA NEWS AGENCY, and published by the Central Party Literature Publishing House. This stylish, large picture album portrays Mao Zedong's splendid life with many rare historical pictures. It provides a true account of his practice and daily activities, and vividly reflects this great man's extraordinary character. The album contains a preface, pictures depicting his elegant manners and portraying his life, and a chronicle. It includes more than 500 pictures, one-fourth of which are being published for the first time. Many of the pictures are enlargements of the originals with new designs.

In Memory of Mao Zedong collects touching articles and essays written by veteran comrades who worked under Mao Zedong, by people of all walks of life who had contact with him, and by personnel who worked at his side. The book, which collects over 90 articles with a total of 100,000 Chinese characters, is divided into two volumes. Compiled by the Central Party Literature Research Center, it is expected that it will be published by the Central Party Literature Publishing House around September this year.

[Beijing XINHUA Domestic Service in Chinese at 2116 GMT on 4 September had transmitted the following item, subsequently canceling it via a XINHUA service message and replacing it with the above version:

[[Text] Beijing, 5 Sep (XINHUA) — To mark the 100th birth anniversary of Comrade Mao Zedong, the Central Party Literature Publishing House has published some 20 kinds of books on Mao Zedong in nearly 30 volumes. Those books not only include special anthologies and manuscripts, but also chronicles, works of study written by domestic and foreign writers, memoirs, factual reports, and painting and calligraphy collections. These various kinds of books cover a broad range of topics.

[Writers of these books selected their topics with utmost care, theirs were well-knit works and they based their writings on solid historical materials. They introduced Mao Zedong's study, work, and life from different perspectives, particularly his outstanding achievements through his tenacious exploration and enterprising work for the independence, liberation, and rejuvenation of the Chinese nation. They presented readers with the historical giant's magnanimous mind, lofty spirit, extraordinary bearing, and unique demeanor. And they portrayed the image of a leader who was great yet ordinary, and who was approachable, respectable, lovable, and worthy of emulation.]

Reports on Concluded NPC Committee Meeting

Draft Accountant, Red Cross Laws Viewed

OW0709144093 Beijing XINHUA Domestic Service in Chinese 0518 GMT 30 Aug 93

[By reporter Zhang Yinshu (1728 6892 2562)]

[Text] Beijing, 30 Aug (XINHUA)—The Third Session of the Eighth National People's Congress [NPC] Standing Committee continued to hold group discussions this morning to deliberate the draft laws on registered accountants and on the Red Cross Society.

While deliberating the draft law on registered accountants, committee members held: Following the continued development of China's economic restructuring, the work of registered accountants has become a key link in transforming the government's functions, changing enterprise operating mechanisms, enhancing the development of markets, and improving society's supervision. To regulate registered accountants' professional behavior according to laws and ensure that registered accountants fully play an intermediary role in examining and supervising social and economic activities, it is imperative to formulate the law on registered accountants.

Some committee members pointed out: Since China published the Regulations Governing Registered Accountants in 1980, registered accountants' services have made substantial progress. However, the law on registered accountants must be enacted as soon as possible to deal with problems concerning registered accountants' services—problems such as inadequate and aging personnel, imperfect laws and regulations, and some registered accountants and accounting firms violating occupational ethics and professional norms by seeking personal gain and faking auditing and appraisal reports.

While deliberating the draft law on the Red Cross Society, committee members pointed out: As an important member of the International Red Cross Society, it is imperative for China to formulate the law on the Red Cross Society to pursue the basic principles of the Red Cross Society and the Red Crescent Movement, to implement the Geneva Convention's provisions as a

member, to protect people's lives and their health, to promote humanitarian spirit, and to enhance peace and progressive causes.

Some committee members said: China is a country with frequent natural disasters. The Chinese Red Cross Society is obliged to carry out humanitarian services such as saving and assisting victims and mobilizing China's citizens to donate blood, human organs, and the remains of deceased people. It is essential for the draft to codify these activities into law.

During deliberation, committee members have also proposed specific suggestions to amend the contents of the two draft laws.

Zhu Rongji Report Discussed

OW0709141893 Beijing XINHUA Domestic Service in Chinese 0859 GMT 31 Aug 93

[By reporter Zhang Yinshu (1728 6892 2562)]

[Excerpts] Beijing, Aug 31 (XINHUA)—The Third Meeting of the Eighth National People's Congress [NPC] Standing Committee held panel discussions this afternoon to examine and discuss a report on the current financial situation and policy measures delivered by Zhu Rongji, vice premier of the State Council and governor of the People's Bank of China. The Standing Committee members pointed out: Zhu Rongji's report summarizes the current financial situation, soberly analyzes the problems in financial work today, and sets forth the goal of the next-step financial structural reform. Its review of the financial situation and presentation of the policy measures are comprehensive, profound, objective, and practicable. [passage omitted]

In his report, Zhu Rongji explained in detail the current and future policy measures and the general goal of the next-step financial structural reform. NPC Standing Committee members believed that the policy measures are practicable and the general goal of the next-step financial structural reform is realistic.

Zhu Rongji Inspects Inner Mongolia 23-29 Aug

OW0809130893 Beijing XINHUA Domestic Service in Chinese 0814 GMT 1 Sep 93

[By XINHUA reporter Tang Ji (3282 6060) and NEI-MENGGU RIBAO reporter Yang Yankui (2799 1750 7608)]

[Text] Hohhot, 1 Sep (XINHUA)—During a work inspection tour in Inner Mongolia, Zhu Rongji, member of the Standing Committee of the CPC Central Committee's Political Bureau, pointed out that to solve current economic problems, it is necessary to deepen the reforms, adding that the fundamental tasks for our economic work are to transform the operating mechanisms of state-owned enterprises, improve their economic performance, reduce deficits, and increase profits.

From 23 to 29 August, Zhu Rongji and leading comrades from the State Council's relevant departments and banking circles, accompanied by the leading party and government comrades of the Inner Mongolia Autonomous Region, traveling a few thousand kilometers, inspected the Yimin coal and electric power project in eastern Inner Mongolia; the Zhungeer coal, electric power, and transport project in western Inner Mongolia; the Manzhouli highway and railway border stations; the Sino-Russian Mutual Market Trading Zone; the Daxinganling Forestry Administration; the Ewenki Autonomous Banner; the Hohhot Machine Tool Accessories Plant; and the No. 2 Woolen Textile Mill of Inner Mongolia. He visited work sites, workshops, and families of herdsmen to get acquainted with the projects under construction, production in enterprises, and the living conditions of herdsmen. He had a meeting with the leading comrades of the autonomous region and leaders of other relevant departments to discuss reforms of the financial and banking systems, as well as questions concerning bank loans and the issuance of bonds, and carefully listened to their opinions. He also worked on the spot to solve some problems facing key construction projects, railway transportation, and production in enterprises.

Zhu Rongji stressed: All areas must grasp the trend of economic development and accelerate development by concentrating on deepening reform, transforming mechanisms, optimizing structures, and raising efficiency. To solve the current economic problems, we need to use new ideas and new methods. We need to accelerate the pace of reforming the banking system, the investment system, and the financial and taxation systems, turning the strengthening of macroeconomic control and the solution of the current economic problems into a motive force for accelerating reform and building a socialist market economy.

Zhu Rongji said: In undertaking economic construction, we should do so within the limits of our capabilities. We must not overextend ourselves in disregard of conditions. We should pool our financial resources to ensure the needs for agricultural and livestock production, for production and export by key enterprises, and for construction of major state projects. We should accelerate the pace of constructing infrastructural facilities and basic industries and strive to solve, as soon as possible, the question of "bottleneck" which is hindering economic development in our country. Only when there are good roads can our products and resources be exported and be transformed into economic results.

Zhu Rongji pointed out: Leading cadres at all levels must concentrate on transforming the operating mechanisms of enterprises, delegate all power to enterprises as stipulated in the Regulations on the Change of Operating Mechanisms in State-Owned Industrial Enterprises, turn enterprises into legal entities responsible for their own decisions about their operation and expansion and for their own profits and losses, and turn them into the most competitive enterprises in the market. The way to

improve enterprises is to deepen reform, work hard to further improve internal operations and management in enterprises, advance technological progress, improve the quality of products, and raise their competitiveness in the market. When an enterprise has an efficient leading body it will produce a series of good products. Once an enterprise has a good management system, it will have good economic results.

At the Manzhouli border station, Zhu Rongji expressed satisfaction with the vigorously developing Sino-Russian border trade. At the same time, regarding the problems facing Sino-Russian border trade, he emphatically pointed out that the development and vitality of border trade lie in strictly ensuring the quality of export products and in preventing the export of fake and inferior products from damaging the image of our country and nation. It is not enough to solely rely on border inspection stations to do this job. Public security, procuratorial, and judicial departments should coordinate with border inspection stations in tracking down offenders. Those who manufacture and sell fake and inferior goods must be dealt heavy blows and be subject to economic and legal punishment in order to ensure the healthy development of border trade.

Luo Gan Meets Officials in Lhasa, Leaves for Beijing

OW0809125893 Beijing XINHUA in English 1240
GMT 8 Sep 93

[Text] Lhasa, September 8 (XINHUA)—State Councillor Luo Gan and other central officials left Lhasa's Gongga Airport for Beijing, after attending the inauguration ceremony of the stupa and memorial palace of the late Tenth Panchen Lama.

The ceremony was held on September 4 at the Zhaxi Lhumbo Lamasery in Xigaze in southern Tibet.

Luo, who is also secretary general of the State Council, and the other officials had a talk yesterday with regional party and government leaders Chen Kuiyuan and Gyaincain Norbu.

Luo told the regional leaders that the inauguration ceremony was very successful, vividly symbolizing the consistent party and state policy on religions, which will have great effects at home and abroad.

"The act has well united and educated religious believers and laymen to love socialism and support the Chinese Communist Party," Luo said.

Luo said that he had earlier visited Tibet in 1985 as a member of the central presentation delegation at the ceremony to celebrate the 20th anniversary of the founding of the autonomous region.

But during his visit this time, Luo said, he witnessed the great achievements Tibet has made in economic and social development over the past eight years.

Meanwhile, he said, he has felt the profound passion of the local Tibetans and Han people for the party and government.

The Tibetan and Han peoples are inseparable from one another and the two peoples are uniting very closely, he stressed.

Luo pointed out that Tibet has concrete difficulties compared with the inland areas due to geographical conditions.

He said that it is the common will of the Tibetan officials and ordinary people to try hard to change the relatively backward status of Tibet and it is also a work which the party Central Committee and the State Council have paid great attention to.

It is, as well, an unshirkable duty of the Chinese people as a whole, he noted.

He stressed that to invigorate Tibet relies on a close combination between state support and self-development of the autonomous region.

Li Ruihuan Receives National Games Visitors

Meets Shenzhen-Based Businessman

*OW0509133293 Beijing XINHUA in English 1313
GMT 5 Sep 93*

[Text] Beijing, September 5 (XINHUA)—Li Ruihuan, a top Chinese leader, met today with Mr. David S.H. Chu, who is an Overseas Chinese and chairman of the Mission Hills Golf Club in Shenzhen, Guangdong Province.

Li, a Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee, praised Chu for his efforts to invest and build businesses in the Chinese mainland since China initiated the policy of the reform and opening up in the late 1970s.

Li, who is also chairman of the National Committee of the Chinese People's Political Consultative Conference, said that he appreciated Chu's assistance to China's sports and his recent activity to seek the signatures of one million overseas Chinese in support of Beijing's bidding for the holding of the 2000 Olympic Games.

Since 1978 Mr. Chu has invested and launched many joint ventures in the Chinese mainland. His largest investment project is a Shenzhen-based joint venture, the Mission Hills Golf Club in which he has invested 400 million U.S. dollars.

At the invitation of the State Physical Culture and Sports Commission, Chu is currently in Beijing to watch various events in the Seventh National Games.

Sees Hong Kong, Macao Public Figures

*OW0509154793 Beijing XINHUA in English 1507
GMT 5 Sep 93*

[Text] Beijing, September 5 (XINHUA)—Senior leader Li Ruihuan met here today a group of prominent public figures from Hong Kong and Macao who came here to attend the opening ceremony of the Seventh National Games.

Li, Standing Committee member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee and chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), extended a warm welcome to the more than forty visitors on behalf of the CPC Central Committee and the CPPCC National Committee.

He spoke highly of their efforts in supporting the reforms and opening on the mainland, maintaining the prosperity and stability in Hong Kong and Macao and in helping the country resume its exercise of sovereignty over Hong Kong and Macao.

He said that mainland's construction and development requires not only the solidarity and efforts of the people on the mainland, but also the support and cooperation of Hong Kong and Macao compatriots and overseas Chinese.

The visitors included delegates to the National People's Congress and members of the CPPCC National Committee from Hong Kong and Macao, and advisers on Hong Kong affairs.

Li expressed hope that they will continue to support the modernization drive on the mainland and make contributions to ensuring a smooth transition of power and maintaining long-term prosperity and stability in Hong Kong and Macao.

On the occasion vice-chairmen of the CPPCC National Committee Wu Xueqian, Wang Zhaoguo, Ngapoi Ngawang Jigme, and Henry Fok Yingtung awarded certificates of honor to nine retired members of the CPPCC National Committee from Hong Kong and Macao.

Hu Jintao Attends Symposium on Kang Keqing

*OW0809001993 Beijing XINHUA in English 1539
GMT 7 Sep 93*

[Text] Beijing, September 7 (XINHUA)—A symposium was held here today to remember Kang Keqing, late leader of China's Women's Movement.

Kang, a veteran communist, was the wife of the late Marshal Zhu De. The symposium was held on the occasion of the publication of *Memoirs on Kang Keqing*. The 320,000-Chinese-character book recounted the major events in her life.

Among the more than one hundred participants in the meeting were Hu Jintao, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee and other Chinese leaders.

They expressed resolve to follow Kang's example to impose self-discipline, oppose hedonism, individualism and money worship, fight corruption and contribute to the construction of socialism with Chinese characteristics.

Shandong's Jiang Chunyun Prefaces Jiang Zemin Book

SK0409084093 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 3 Sep 93

[Text] A ceremony marking the release of *History of Tai Shan*, a book written by President Jiang Zemin, was held in Taian on 3 September.

History of Tai Shan is a major history book of the annals of Shandong Province with 430,000 characters. Jiang Chunyun, secretary of the provincial party committee, wrote the preface for this book.

Governor Zhao Zhihao attended the ceremony and said: The distribution of "History of Tai Shan" inside and outside the country will surely produce profound and far-reaching influence in expanding international cultural exchange, promoting Chinese culture, and developing the socialist modernization cause.

Provincial veteran comrades, including Qin Hezhen, Wang Zhongyin, Liu Zhongqian, Zhang Jingtiao, and Ma Lianli, attended the ceremony marking the release of this book.

Economic & Agricultural

Problems To Be Solved Through Deepened Reform

OW0709073693 Beijing XINHUA in English 0657 GMT 7 Sep 93

[Text] Beijing, September 7 (XINHUA)—While macro-control measures adopted nationwide to remove economic disorder in China have been initially effective, the government is determined to solve fundamental economic problems through deepening the reform.

Leading economists point out that the government wants to solve both the surface and inner contradictions and problems through macro-control measures as well as deepened reforms.

Since June this year the government has engaged in solving such problems as disorder in the financial sector, skyrocketing of investment in the fixed assets and the unreasonable structure of investment.

The series of macro-control measures include strengthening control over bank loans, cutting new investment

projects and development zones that have popped up throughout the country in a short period of time, ordering the recovery of loans that have been issued in violation of state regulations, and raising bank interest on loans.

The efforts are paying off gradually as the overheated industrial growth has slowed down, speculative activities in the marketing field are harnessed to a certain extent and rectification in the financial sector has taken initial effect.

The economic, legislative and administrative macro-control measures taken by the government still remind people of old practices under the planned economy, the economists say.

This shows that China is in a transitional period from a planned to a market economy and the government does not yet have a complete indirect control mechanism, they added.

In the coming years, they say, the country is expected to gradually let indirect control play a bigger role so as to meet the requirements for building a socialist market economy. It is also a major target for improving the mechanism of the macro-control policies.

The economists urge the government to deepen the reforms in the financial, taxation and investment structures. Moreover, the deepening of enterprise reform is the fundamental way to guarantee the healthy development of the economy, they say.

Since the very beginning of the implementation of the current macro-control policies, Chinese leaders have stressed over and over again that the strengthening of macro-control is by no means an all-round tightening but a structural readjustment, aimed at improving overall economic efficiency and pushing forward healthy and sustained economic development.

Vice-Premier Zhu Rongji made it clear at a recent meeting that the problems in the economy should be solved through restructuring, and economic rectification should be carried out through reform methods while the reform is accelerated on the basis of the rectification efforts.

The government plans to further deepen the ongoing economic reform so as to build a new operational mechanism for the fledgling socialist market economy and to basically overcome negative phenomena that have caused chronic economic fluctuations.

As the government has insisted on strengthening macro-control and deepening the reform simultaneously, and the two are mutually complementary, the strengthening of macro-control has created more mature conditions for the reform, the economists say.

They believe that the macro-control measures are beneficial for readjusting the investment and industrial structures, and provides a good opportunity for deepening the enterprise reform.

They say that the government should miss no chance to make major headway in restructuring the state enterprises in the near future by astening the establishment of a bankruptcy system so as to eliminate inefficient firms through competition and realize a reasonable rearrangement of resources.

While promoting the building-up of a modern enterprise system in the country, the investment supervision mechanism in state firms should be improved in a bid to turn the enterprises into real risk-taking economic entities responsible for their own losses and gains, the economists say.

On the other hand, the People's Bank of China has made it a key task to set up and improve the country's financial system with the central bank as the leader and the state banks as the main body.

The economists say that conditions are mature for the country to separate policy finance from commercial finance in order to form two independent operation systems with different working principles.

Meanwhile, the Ministry of Finance plans to shift from the old practice of focusing on state enterprises to taking up the administration of enterprises of various types of ownership and social development.

The move aims to separate the administration, supervision and operation of state property and to build up a property administration system controlling the investment, protection, accumulation and distribution of state property.

In the meantime, the ministry will gradually take its hands off micro affairs by strengthening its macro-control function.

Furthermore, the country also plans to carry out a tax reform with the establishment of a tax-sharing system as the main target, as well as an investment structure reform at the central and local levels.

The economists point out that the all-round economic reform in the country has entered a new stage.

Article on Macroeconomic Regulation, Control

HK0709003093 Beijing JINGJI YANJIU in Chinese No 6, 20 Jun 93 pp 60-65

[Article by Dai Yuanchen (2071 0955 2525) and Liu Yingqiu (0491 6601 4428) of the Chinese Academy of Social Sciences Economic Institute, edited by Song Mingzi (1345 2494 1311): "On China's Macroeconomic Regulation and Control and Government Functions in Development of a Market Economy"]

[Text] Under the circumstances of the rapid development of a market economy in China, how to carry out a more deep-going reform of the traditional and existing macroeconomic management system, and of the targets and methods of macroeconomic regulation and control which do not adapt to the development requirements of a socialist market economy; how to achieve the transformation of government functions by this kind of reform; how to achieve state macroeconomic regulation and control over the operation of the national economy through the market, while ensuring that the market plays a major role in the effective allocation of resources, and achieve a long-term, sustained, stable, coordinated, and high-speed development of China's economy in the process, are all important questions which require immediate solutions in theory and practice.

I. The Scope of Macroeconomic Regulation and Control and the Comparison Between Government Realization Process and Market Realization Process

1.1 Under the circumstances of a market economy, the state's macroeconomic regulation and control of the national economy is within bounds. These "bounds" are: Whichever spheres wherein the market can better play its role in the rational and effective allocation of resources, or spheres where the market can better play this role, should be put outside the scope of the state's macroeconomic regulation and control ("World Bank 1991 World Development Report: Development Faces Challenges," China Financial and Economic Publishing House). What the state is required to seize hold of tightly using great efforts is the total macroeconomic amount and structure, including financial policy, monetary policy, income policy, investment policy, foreign investment policy, import and export policy, employment policy, welfare policy, public and nonpublic products policy, industrial policy, and important total amount and structure indices such as consumption, savings, and investment. If the scope (Note: This does not refer to the scope of the method of macroeconomic management) of macroeconomic regulation and control is set too wide in the development of a market economy, no matter how strong the subjective will may be, it will finally inhibit the vitality and creativity of microeconomic operations, impeding and even seriously harming the healthy growth of a socialist market economy.

1.2 To profoundly understand and grasp hold of the bounds of macroeconomic regulation and control under the circumstances of a market economy, it is useful to make a comparison between the government realization process and the market realization process of macroeconomic regulation and control. Typical of the government realization process of macroeconomic regulation and control is the mandatory plans realization process under the traditional system. In this process, mandatory plans are the overall structure the government uses to guide production, investment, distribution, and consumption. Every effort should be made to ensure that these plans contain as many concrete details as possible and will enable full communications between the higher and

lower levels without interruptions. This determines that the government realization process of macroeconomic regulation and control is an extremely costly process. First, by simply relying on government organizations for the collection, collation, screening, and processing of information, the cost is extremely high. Second, although the state takes the principal part in the formulation of plans, full communications (seeking opinions) between the higher and lower levels cannot be completely excluded in trying to achieve a consensus of action. If communications are made or opinions sought which are not "to the point," and if a "compromise" cannot be reached in opinions, then the plans will become mere scraps of paper. This required the administrative chiefs at various levels to "unanimously pass" certain plans. Therefore, the process of reaching unanimity is always supported by huge expenses sometimes difficult to calculate. Third, to ensure that the plans are uninterrupted, it is necessary to have corresponding government organizations to cope with the situation. So many government organizations require so many "temples" and, moreover so many "gods" are needed. Overstaffing and low efficiency are the largest opportunity costs of uninterrupted plans. In short, the typical government realization process of macroeconomic regulation and control is an extremely high cost macroeconomic management process. Based on such a situation, we can put forward a theoretical hypothesis which can be verified: Only under extremely special circumstances (for instance, in unusual times when the national economy suffers from war threats or in the early post-war period of economic reconstruction) will the typical process of government-manipulated macroeconomic regulation and control show a direct proportion between the intensity of control on the one hand and social economic welfare efficiency on the other; otherwise, there will be a negative correlation.

The typical market realization process of macroeconomic regulation and control is the one in the capitalist market economy of developed countries represented by the United States which only intervenes in the total macroeconomic amount. In this process, the inflation rate, economic growth rate, employment rate, and the balance of payment are the core indices. The role of the government in the operation and management of the national economy is, in the first place, that of "night watchman" and then as "traffic policeman." Fully relying on the market, and keeping track of it on behalf of the government, are outstanding characteristics of the market realization process of macroeconomic regulation and control. Therefore, to date, this kind of realization process cannot always eradicate the threat of unemployment; "slow inflation"; decrease the capital surplus, and improve inadequate demand. Although its efficiency is higher than that of the typical government realization process, its realization costs are quite high. First of all, the existence of large numbers of unemployed is at the cost of forcing down potential economic growth by a big margin; second, giving a hundred treatments to "slow inflation" without being able to make a correct diagnosis

ensures harm is caused to public economic welfare; third, that the capital surplus is becoming increasingly serious is based on sacrificing the overall development of the people of its own country, and the economic growth of backward countries and regions, and so on and so forth. Based on such a situation, we can put forward a similar theoretical hypothesis which can be verified: Except during the mechanical industrial period in which information technology is quite backward, the market realization process in which the state intervenes in the total macroeconomic amount is expressed in the positive correlation of state intervention and socioeconomic welfare and efficiency; otherwise, there is a negative correlation.

1.3 Practice proves that both the typical government realization process and the market realization process of macroeconomic regulation and control have their intrinsic defects. The reason why we emphasize that it is necessary to effect an integration of planning with market in a socialist market economy is, in essence, to overcome the intrinsic defects of the above two kinds of processes and to attain integration of the government realization process with the market realization process of macroeconomic regulation and control. Such an integration can be called "the theory of double-level division and integration of labor," that is, the macroeconomic-level division and integration of labor and microeconomic-level division and integration of labor.

The so-called macroeconomic-level division and integration of labor is an overall one in national economic activities. At such a level, the market not only always plays a basic role in the allocation of resources but also plays a media role in achieving the division and integration of labor of the government and market processes. This kind of market media role aims at solving problems as to which kinds of economic indices the government should emphasize control on to effectively seize hold of the direction of development of the national economy, its growth trends, and the coordination, rationalization, and high efficiency of the structure; on the other hand, it aims at solving the problems as to what kinds of organization the government should finally set up to truly control the overall situation. The market media role is, in essence, to screen the division and integration of labor between the government and market realization processes and to process major economic indices and policies, decisions on which should be made by the government. Specifically speaking, these include the financial, monetary, income, and industrial policies; total amount equilibrium and structural coordination in total supply and demand; prices and the situation in currency circulation; the balance of payments and other economic growth indices; and the mid-term programme related to the goals and direction of the development strategy.

So-called microeconomic-level division and integration of labor mainly refers to the division and integration of labor through price and quantity signals. However, considering China's current situation, this level of division and integration of labor can be divided into two stages.

First, the present stage in which the dominant position of a socialist market economy system has not been completely established. During this stage, because the sovereign position with market as the principal part has not fully taken shape and the degree of growth in the market system is still quite low, in order to reduce the regulation of price signals and the fluctuation and shock this "cobweb effect" may possibly cause, we still cannot completely give up control by quantity signals (such as the scale and direction of investment, the margin of loans, etc.) and necessary administrative intervention. However, it is necessary to escalate this kind of quantity control and administrative intervention to the height of consciousness, reason, and strictly abiding by the objective economic law. Second, after a socialist market economy system has been basically established and occupies a dominant position. By this time, the division and integration of labor between the government and market realization processes for macroeconomic regulation and control at the microeconomic level will no longer rely on quantity control but will mainly use regulation by price signals. However, due to the extensive existence of "disorder in the market" (R. Musgrave and others: "U.S. Financial Theory and Practice, 1984," 1987 edition, China Financial and Economic Publishing House) in unclear boundaries for property rights, noncompetitive consumption, the supply and demand of public articles, and other situations, the division and integration of labor at this level still cannot be achieved without administrative intervention. However, this kind of intervention has been minimized in scope, content, and frequency. The major administrative functions of the government will then be limited to merely helping to decide who should have what rights and protecting those rights.

II. The Guiding Policies and Principles for Reforming the Current Macroeconomic Regulation and Control System

2.1 The process of establishing the socialist market economy system is closely linked with the transformation of economic structure and the choice of development strategy. The involvement and influences among these three aspects need constant coordination in the course of promoting reform. First of all, system reform will bring about changes in the supply, demand, employment, and industry structures. Such changes can by no means be controlled or altered as one pleases by the subjective will of any individual. Moreover, they are not the outcome of purely natural choice but promoted by the joint forces formed by the intertwining of many kinds of forces. A few years ago, China tried to achieve the goal of optimizing the structure and improving efficiency by structural readjustment. However, as changes in system variables are slower than those in policy variables, and the mechanism of inventory readjustment is lacking plus the interest guided signals given by distorted prices, a super steadiness and similarity in the supply structure have been constantly recreated (the so-called phenomenon of "140 production lines" for

refrigerators, TV's, etc.). On the other hand, the imbalance in industrial structure is also being constantly recreated. Add the influence of welfare type consumption and the tendency for income and distribution in kind, the structure that should have been optimized cannot achieve optimization throughout.

Second, the choice of development strategy also requires coordination with system transformation. Up till now, the quantity type and extensive type economic development strategy, built up under China's traditional system, still occupies an evidently superior position. The major characteristics of this kind of development strategy is that the marginal factor revenue put in progressively decreases and that the economy cannot be developed without large amounts of input. The system basis which produces this kind of characteristics remains "soft budgetary restraint" and because enterprises are responsible for profits but not for losses. Therefore, to enable the choice of development strategy to embark on the track of benign circulation still requires speeding up the fundamental transformation of the economic system.

Finally, whether or not the transformation of economic system, the readjustment of economic structure, and the choice of economic development strategy can make coordinated and positive progress all depend on changes in government functions and the transformation of the macroeconomic regulation and control system. If government functions are not changed, and if the traditional mode of the macroeconomic regulation and control system is still used, this will inevitably lead to the following situation: "If the feet are not straight the shoes are bound to go askant."

2.2 The basic task of macroeconomic management is to ensure the realization of the dynamic equilibrium of total supply and demand, including the two major aspects of short-term and long-term dynamic equilibrium. Both short-term and long-term dynamic equilibrium should be an equilibrium and stability amidst development on a high-level basis. For a big socialist developing country like China, it is a justified argument which overwhelms everything to achieve economic growth through dynamic equilibrium and strive to enter a new stage every few years. The challenges from the international environment, the high-speed economic growth of peripheral countries and regions, and the consolidation of China's socialist system and its superiority being brought into play, all require objectively that China's economic development should have a rational and a rather high rate of growth adaptable to China's national strength and the potential of the system.

Of course, speeding up the growth rate cannot be equated with divorcing from reality and possibilities. For many years past, we have suffered from "high target" on more than one occasion. The "tuition" we paid for in "more haste, less speed" is more than enough. We must seriously learn this historical lesson and guard against repeating the phenomenon of overheated economy and relying on administrative means to hold

down the scale and cut investment after overheating. The crux here is to clarify the following kinds of relationships: First, the relationship between system and policy variables. System variables are kind of slow. Even in the course of system transformation, changes in these variables should also be relatively stable and doing things at will should be prevented. Policy variables are kind of fast with extremely great flexibility and it is necessary to make readjustment based on the situation of short-term economic operations. System variables affect and constrain policy variables. The basis for China doing away with the "overheated" system lies in the promotion of reforms but not all reforms can inhibit "overheating." Certain reforms which stimulate localities and enterprises into pursuing high growth will often impact on steady growth.

Second, the relationship between direct administrative control and indirect market regulation. In the present stage of changeover to a socialist market economy system, it is important to retain necessary administrative control but there must be clear-cut limits. For instance, because the banking system and funds market system have not reached the requirements of improvement and coordination, we can exercise a certain degree of margin control in the scale and structure of investments and loans. If this kind of margin control is given up completely, disorder and confusion will appear in the operational mechanism of currency investment. Whether or not it is possible to bring this kind of control into proper play, the key lies in matching the stipulations on margin control with the situation of market operation. It is necessary to place indirect market regulation truly in the basic position in the allocation of resources.

Third, the relationships between macroeconomic regulation and control under the traditional planned economy, those under typical Western market economies, and those under a socialist market economy, in particular the relationship between the macroeconomic regulation and control under the circumstances of a socialist market economy and those during the track-shifting period (i.e., period that is neither under the market economy nor the planned economy). The key to handling these relationships properly is: Giving up the traditional method without copying the Western way of doing things, basing ourselves on reality, and facing the future. First of all it is necessary to proceed from the current situation and carry out macroeconomic regulation and control according to the system conditions and market conditions of the current period. With key solutions to the microeconomic basis and market environment of macroeconomic regulation and control as the starting point, clarify the scope of necessary administrative intervention and effect rational and effective macroeconomic regulation and control. Moreover, in this process, it is necessary to create the necessary conditions for setting up, as soon as possible, a macroeconomic regulation and control system adaptable to the socialist market economy system.

Fourth, the relationship between the natural growth of economic development and a higher expected economic growth rate. A higher expected economic growth rate is not a bad thing. The point is that we cannot rely on the quotas management method under the traditional system and the method of pressing the lower levels to accept the quotas to strive for the realization of this kind of expected rate. Historical experience has repeatedly proved that a high economic growth rate is not the outcome of pressure but is built up naturally in the economic structure and the release of its intrinsic potential. "Pressure" will only result in putting the economic growth rate into a "high-low-wait-low-high" malignant cycle. In particular, apart from a favorable direction decisionmaking by localities and enterprises, there also appears a trend of "reverse direction" decisionmaking. The "chess play" mechanism between the central and local authorities, and between the government and enterprises, increases all the more the difficulty of macroeconomic regulation and control. Therefore, to enable the development of the national economy to maintain a long-term, sustained, stable, and coordinated high growth rate, viewed from the angle of macroeconomic regulation and control, the key lies in changing the government functions and working method and shifting the focal point of the work onto serving enterprises, creating a fair competitive market environment, formulating various rules and regulations for fair competition, and supervising and executing out these rules and regulations.

2.3 The key to macroeconomic management lies in structural readjustment. The problem of structure is an outstanding problem in the development of the national economy after the per capita GNP exceeds 300 dollars. The basis of speed, proportion, and performance will in the end all come from structure. In the past, the lopsided pursuit of growth in the industrial sector at the expense of the rural economy, which could not get multiple direction development due to the lack of funds for investment, inevitably led to the dual economic structure of sharp contrast between the modern industrial cities and backward rural areas. This kind of structure will not only become a burden to the transfer of rural population but will also become a financial burden to the further development of industrialization. Industrial "bottlenecks" and resources "bottlenecks" will inevitably become barriers to speedy economic development, making it impossible to correct the situation of high input and low output. Therefore, the emphasis of macroeconomic management should be: Under the premise of properly grasping total amount equilibrium, seriously do good job in structural readjustment, promoting high level development of the industrial structure through short-term industrial and sectoral technological transformation, and through the development of the newly emerging industries and high-tech and high added value industries. At present, it is necessary to pay attention to narrowing the dual economic contrast and promoting the

modernization of the rural economy and the coordination and high level development of the industrial structure. We must take these as crucial problems in macroeconomic management and grasp them tightly.

2.4 To maintain the momentum of high economic development requires funds accumulation. However, the prerequisite for the accumulation of construction funds must not necessarily be lowering the income of the people in cities and rural areas. In the past, influenced by the ideas of traditional planned economy, people often placed funds accumulation for economic construction and improvement in the income level of the people in cities and rural areas in an opposite position, and to ensure construction and investment they try every means possible to curb individual income, and hold down consumption by the people. Such a government accumulation mode of construction can concentrate human, material, and financial resources within a short period of time, ensure a number of key construction projects, and complete several major jobs. However, low income and low consumption inevitably lead to a low level cycle of consumption and production. Therefore, the result of practice is: Not allowing the people to receive more benefits and speedily narrow the gap between China and the developed countries and peripheral advanced countries and regions, but inhibiting the improvement in the consumption level of the people and enlarging the gap between China and developed countries and regions.

In the early days after opening-up and reform, through discussion about socialist production, a common understanding was reached, that is, we would rather the reduce economic growth rate than give up the readjustment of the proportion of accumulation and consumption. We wanted to reduce the accumulation rate from about 33 percent to about 25 percent. In actual implementation, in the first few years (1981-83) there were indeed decreases in the accumulation rate (reducing to 28.3 percent, 29.8 percent, and 29.7 percent,) but with the sustained improvement in the income of town and township residents, and increases in the absolute amounts of consumption, marginal savings tended to go up. Finally, the accumulation rate for the eight years from 1984 to 1991 always maintained a strong level of 34 percent. The accumulation rate of over 34 percent was almost identical to the high accumulation rates in the past but the social and economic performance was vastly different. Thus a development pattern took shape of high income, high consumption, high savings, high investment, and high speed, and a benign cycle of income and distribution and economic growth (of course, influenced by remnants of the traditional system, there also appeared during this period inflation problems in both consumption and investment but that was not the mainstream). The enlightenment given by this practice is: Replacing the government accumulation type construction mode by a social accumulation type construction mode is favorable to the nation, the people, and to development. This is a road to success in economic

development under the circumstances of a market economy and is a principle China must follow in the reform of the macroeconomic regulation and control system.

2.5 Under China's present conditions, in macroeconomic management work, we must attach importance to the regulation of long-term policy and system variables but, at the same time, we should lay special emphasis on the regulation of short-term policy variables. The regulation of short-term policy variables is constant regulation and is also the specific realization process wherein the state uses macroeconomic policy to regulate and control total amount and structure to promote economic development and economic growth. For example, since spring last year, China's economy has gradually recovered and a momentum of sustained and rapid growth has appeared. Accompanied by high-speed economic growth and an overly rapid expansion of investment, there have also gradually been exposed such problems as extremely tight supply in resources, in particular in the means of production and capital construction materials, strong demand for currency in the market, and continued evident price raises in the cities. Analysis by the department concerned pointed out that the present macroeconomic regulation and control, while microeconomic regulation is adhered to, should continue strengthening the role of market regulation and remove, as soon as possible, the nonstandardized phenomena of unrestrained expansion and disorderly competition (State Statistics Bureau: "Continued High-Speed Operation of National Economy," PEOPLE'S DAILY, 18 June 1992.) Such analysis is indeed correct. At present, China's economy is not yet into a state of "overheating" but if we slacken reform and macroeconomic regulation and control, it is not impossible for the economy to abruptly turn "overheated." Therefore, to strengthen the regulation of short-term policy variables, first of all, to keep currency under control, complemented by the regulation of financial policy and by strengthening the regulation and control of structural policy variables, such as the industrial, credit, investment, and import and export structures. Only thus can sustained, high-speed, highly efficient, and high quality growth be ensured without laying the seeds of structural imbalance and a big margin economic slide for continued economic development and growth. Laying stress on total amount and controlling structure are important principles which we must follow in the reform of the macroeconomic regulation and control.

III. Considerations About Operation of Reform of Macroeconomic Regulation and Control System

3.1 In the course of changing to the system of a socialist market economy, the reform of macroeconomic regulation and control system should not be simple improvement and local readjustment of the mode and operation organizations of traditional planned economy, but must truly reflect the intrinsic requirements of a socialist market economy. It must be true reform, blaze new trails, and bear Chinese characteristics. If this kind of reform is reduced to the level of only decreasing in a

simple way and abolishing mandatory plans, then that kind of reform definitely cannot achieve final success. Undoubtedly, reducing and minimizing by a big margin the scope and strength of mandatory plans always remains an important aspect in the reform of the macroeconomic regulation and control system, and retention of a small number of mandatory plans is also required by the development of a socialist market economy. However, the traditional "allocation by regions" of resources, and the "bargaining" type project management and quantity control which still exists in large quantities up till now, must be removed from the design of the macroeconomic regulation and control system, so that macroeconomic regulation and control can truly bring into play the role of policy management, information guidance, standards and order, organization and coordination, services and supervision, and low consumption and high efficiency.

3.2 The operation of the national economy is a complicated functional system. It is quite similar to the self-organized system and the nervous system which ensures the normal operation of this system. With reference to the self-organized system of the human body, we can divide specifically the macroeconomic regulation and control system adaptable to a socialist market economy into the following four kinds of functional organizations which are correlated, each with its own division of labor: Creativity organizations, decisionmaking organizations, comprehensive regulation and control organizations, and specialized management organizations.

3.3 Creativity organizations. These are functional organizations which take the tiller and get hold of the direction, putting forward proposals on issues of important principles and policies. Under the circumstances of a market economy in China, the form of setting up the Central Financial and Economic Group at the CPC Central Committee level can be introduced to be the highest organizational form of creativity organization. On the basis of a particular economic work for which each is responsible under division of labor, the group members can get hold of the trend and movements of the development of the national economy in an overall manner through communication, consultation, and discussion. Proceeding from the basic requirements of the big system of the national economy as a whole, they creatively put forward on behalf of the Central Committee viewpoints which form the source of initiatives for the macroeconomic regulation and control and decision-making systems. To make the creativity process more scientific, rational, and effective, advisory committees or advisors groups can be set up separately under the Central Financial and Economic Group, which may invite scholars and experts who really have made contributions and practical experiences in various fields to do full-time or part-time jobs. Give scope to their specialized skills and let them take part in creativity activities of macroeconomic decisionmaking, putting forward various kinds of creativity plans and considerations. We can let them take the lead, or let them entrust other experts

and scholars with a particular special subject to make social investigation and concrete study, and put forward creativity reports for reference by the Central Financial and Economic Group during discussion.

3.4 Decision-making organizations. These organizations make policy decisions and issue policy instructions based on major problems which crop up in the operation of the national economy and macroeconomic management. Under the circumstances of a market economy in China, the form of social and economic development decisionmaking committees may be introduced to the highest organizational form of this kind of decision-making organizations. The highest leader of the decisionmaking committee may be nominated by the Central Financial and Economic Group, elected by the National People's Congress, and approved and appointed by the CPC Central Committee. Members of the decision-making committee during the track-shifting period may temporarily be leaders from the former State Planning Commission, Economic Relations and Trade Committee, the Chinese People's Bank, the Ministry of Finance, and the Ministry of Foreign Affairs; when conditions are ripe, they can be elected by the National People's Congress and approved and appointed by the State Council. The decisionmaking committee is specifically responsible for receiving creativity intentions and plans from the Central Financial and Economic Group, working out and promulgating macroeconomic policies according to the specific situation in economic operation, and handing them to the comprehensive regulation and control organization for implementation in details.

3.5 Comprehensive regulation and control organizations. These comprehensive regulation and control organizations which carry out various policy instructions sent out by the decisionmaking organizations and render information services to microeconomic units. These are mainly composed of personnel from the Chinese People's Bank, the Ministry of Finance, the Ministry of Labor, and the Statistics Bureau, specifically responsible for policy regulations and control and macroeconomic guidance and services.

3.6 Specialized management organizations. These macroeconomic regulation and control and management organizations concretely fit the policy targets of macroeconomic regulation and control into specific industrial departments. There are a number of branches, including mainly: The Industry and Commerce Administration responsible for carrying out industrial policies; the Taxation (including Customs) Bureau; the Social and State-owned Assets Management Bureau; the Commodity Inspection Bureau; the Land Control Bureau; the Measurements and Standards Bureau responsible for carrying out long-term strategic targets and policies; the Financial Affairs and Auditing Bureau; the Patent and Copyright Bureau; and various specialized bureaus responsible for industrial development. These branches are specifically responsible for special item policy management and information guidance and services.

3.7 The above four kinds of organizations form an organic system which is closely linked together. The methods of linkage and the operational mechanisms in these four kinds of organizations are similar to the human body's nervous system and have quite clear characteristics of the government realization process of macroeconomic regulation and control. They are expressed as the vertical transmission and horizontal feedback of decisionmaking information between the four major kinds of organizations and horizontal transmission and feedback within various kinds of organizations. Of these, the longitudinal information transmission and reverse direction feedback relations are especially evident among creativity organizations, decisionmaking organizations, comprehensive regulation and control organizations, and specialized management organizations. The comprehensive regulation and control organizations and the specialized management organizations are at a low level and very close to the microeconomic objects of macroeconomic regulation and control and management. They are also close to those whom they give guidance and render services. They are the basic organizational form and medium between the government and market realization processes of the state's macroeconomic regulation and control. The operation of the macroeconomic regulation and control as a whole is based on the market, that is, on the independent behavior of the microeconomic subject and the process in which the independent behavior of the market microeconomic subject respond to the macroeconomic policy is similar to the chemical regulation mechanism of the human body. It constitutes the effective source of information and the motive force for macroeconomic policy regulation.

3.8 Like the reform of the economic system as a whole, the reform of the macroeconomic regulation and control system is a profound revolution. Since it is a revolution, to realize it one must have revolutionary spirit. Therefore, according to the target mode of reform put forward by the 14th CPC National Congress of the CPC, the existing macroeconomic management and functional departments which do not match with the above four major kinds of organizations will become objects for removal, amalgamation, and or being shifted to other lines of work. To ease the various kinds of friction and contradictions which may crop up, and to reduce internal consumption and the cost of reform, the progress of reform should not be too rapid. We must strive for speed amidst steadiness and pay attention to tactics. We can consider taking two steps: The first step, the transformation of government functions and gradually shifting government departments to the track of information services, organization, and coordination; the second step, the removal, amalgamation, and transformation into large specialized companies or industrial groups. To achieve steady progress, we can introduce the method of "using the experience of selected units to promote the work in all areas" and demonstrating by typical examples, using the achievements made by those departments who started off first (transformed from

specialized departments into specialized companies or industrial groups) and the benefits brought to individuals, to educate, persuade, guide, and encourage people to enhance their initiative and awareness of achieving this kind of transformation, to achieve it with relative smoothness and success.

'Bottleneck,' Pillar Industries Discussed

HK0609083293 Beijing JINGJI GUANLI in Chinese No 8, 5 Aug 93 pp 25-27

[Article by Rui Xingwen (5360 2622 2429), edited by An Luming: "Seize the Opportune Time To Speed Up the Development of 'Bottleneck' Departments and Pillar Industries"; first paragraph is JINGJI GUANLI editor's note]

[Text] This article is the summary of a talk given by the author at the Economic Group meeting of the First Session of the Eighth CPPCC, with the topic added by the editor.

From February 17 to 27 this year, I led an economic delegation of the State Planning Commission to visit Japan and Singapore on an inspection tour. We have a very strong feeling: At present, China has indeed met with an extremely good opportunity for development; the key lies in whether or not we can seize this opportune time.

First, seize the opportunity to draw surplus funds from Japan, Singapore, Korea, and other countries to speed up the development of China's communications and transportation industry.

The economy of Japan is in a difficult period, lacking internal demand, with appreciation of the Yen, and the depression of the economy. The Japanese call it "bubble economy." My point of view is that the economic difficulties of Japan are brought about by inadequate demand, lacking new hot points of consumption. The life of the people is extremely well-off, and there is no way to relieve the large surplus in foreign trade. Food and clothing for ordinary people have been satisfied, and they all have durable consumer goods, too. All the money is poured into real estate, especially around large cities, resulting in a rise in the price of land. With real estate as collateral, banks grant large amounts of credit, which on one hand stimulates the development of the economy at the time, and on the other hand concentrates on the banks large amounts of real estate as collateral, lowering the quality of bank assets. When the prices of real estate rise to a such level that they cannot get any higher, their transfer will meet with difficulties, and the continued turnover of bank funds will be difficult, thereby resulting in a credit crisis and a dull economy. Japan's new plan for economic development has set the target of a "Big power in livelihood," yet it still requires a process to promote the expansion of the domestic market by new hot points of consumption.

Japan's foreign trade surplus last year reached 107 billion dollars, and some people even said it was 130 billion dollars. Huge amounts of funds suffer from being unable to find ideal places for investments. In the past, Japan always looked upon the United States and Europe as focal points for overseas investment. At present, the economy of the United States is also in a depressed state, and its intake capacity for investments is limited. The situation of the European Economic Community is similar to that of the United States, impossible to draw large amounts of funds from Japan. In the past, the economic situation of West Germany was quite good, but after the merging of two German states, some problems have emerged. Russia and other states of the Commonwealth of Independent States, and various East European countries, are in a state of turbulence and instability, war has been going on unceasingly in the Middle East areas, and it is impossible for them to become important places for investments in the near future. The situation of the Southeast Asian countries is somewhat better, but Vietnam and Cambodia still do not have the conditions for drawing large amounts of investments. Over the past few years, Japan made quite a lot of investments in Thailand, Malaysia, and Indonesia, but the quality of labor in these countries is lower, and their capacity of drawing funds is limited. They are not yet ideal places for large investments. Therefore, in the last analysis, only China possesses the capacity of drawing large amounts of overseas funds. China is a large country of political stability and social stability, and is developing her economy. Since reform and opening up, enormous changes have taken place in China's economic system. Through efforts made to restore GATT signatory status, China's foreign trade system has gradually joined tracks with the international market. The quality of China's labor is quite good, and the cost is low. Viewed from the history of development of the world economy, funds always flowed toward places where the quality of labor is good and the production cost is low.

What Japan needs are places for investments, and what China needs are large amounts of funds. To draw surplus funds from Japan can both promote the production of Japanese technological equipment and her export to China, invigorate Japanese economy at home, and help her tide over the present economic difficulties, and can speed up the pace of China's industrialization as well. Moreover, the increase in Japanese investments in China can also reduce the pressure of the United States on China.

I think at present there are at least three major items from which China can draw support from Japanese funds and technological force:

1. The Beijing-Shanghai high-speed railway. The new trunk line Japan built in the 1960's runs at a speed of 260 kilometers per hour, and there are new developments now. Japan possesses the funds and technology to build a new high-speed railway, and has long put forward the motion of making investments in China's high-speed railway. Not long ago, the Chinese railway departments

called a seminar on the Beijing-Shanghai high-speed railway, and it was unanimously believed that an early decision should be made to start the project. With the new line used for passenger transport, and the old line for cargo transport exclusively, China's most developed economic belt will soar speedily.

2. The Huanghuagang port and Shenfu-Huanghua railway. Huanghuagang port has the fine conditions of being built into a large coal dockyard. The port can be linked with the Shenfu Coal Mine by a 500 kilometer railway, and the development of the coal mine can be included. Like the Dalian-Qinhuangdao railway, it can be built into the second major channel for coal transport.

3. The second Asia-Europe continental bridge from Lianyungang port to the Alashan Mountain Pass. The joined island of Lianyungang can be built into the largest development zone and duty-free processing zone in China. Now there is a large embankment linking it with land, and foreign ships can only ply up to the joined island. From the Pacific to the Atlantic, if cargo is transported by the second continental bridge, one-third of the sea freight and 60 percent of the time can be saved. At present, the annual freight volume of the single track railway is 10 million to 20 million tons, and if it is rebuilt into a double track and electrified railway, the freight volume can reach 70 million tons. Development zones and duty-free zones can be built in Xuzhou, Zhengzhou, Loyang, Xi'an, and Lanzhou along the line, which can draw large amounts of foreign investments to the interior, thereby solving the problem of opening the inland areas along the line to the outside world.

The construction of the above three major items will play an important role in the reinvigoration of the economy in the middle and the northern parts of China.

Besides Japan, Singapore and Korea also have large amounts of funds that can be invested in China. This year, Singapore levied a new consumption tax, reduced income tax, and encouraged her nationals to make investments in China.

Second, make use of the surplus production capacity of Japan and Korea to speed up the development of China's petrochemical, railway, automobile, and other pillar industries.

At present, one-third and two-thirds of the ethylene production capacity of Japan and Korea respectively lay idle. The iron and steel plants of Japan are also operating under capacity. The Automobile Group of Japan already announced that this year it will dismantle one automobile assembly line and cut down 20 percent of the staff and workers in three years. We should make use of their surplus production capacity to change China's original line of construction and change the "connected sequence" and "large and complete" line that starts from resources development and raw material factories into that of making use of raw materials abroad that starts from post-processing. The petrochemical industry can first develop the post-chemical industrial processing,

and then build raw materials factories when funds are accumulated. The iron and steel industry can first build rolling mills, and import steel ingots for processing, including import of ingots from Russia. The automobile industry and the electronics industry should also explore the possibility of making use of the surplus production capacity overseas. In short, we should actively make use of the funds, resources, and technology abroad, take a highly efficient and high-speed road of development, and play a time lag.

To turn the above plans into reality, I suggest organizing government and civilian delegations to go canvassing in Japan, Singapore, and Korea to strive for investments, and discuss the possibility of cooperation and joint investments between two parties.

Third, to bring "policies northward" and speed up the development and opening-up of the areas encircling the Bohai Sea.

The areas encircling the Bohai Sea include two municipalities of Beijing and Tianjin, and three Provinces of Liaoning, Hebei, and Shandong, and are China's heavy industrial base, abundant in natural resources, convenient in transportation, and rich in human resources. The conditions for economic development in these areas are not inferior to those in the southern part of China. The areas encircling the Bohai Sea can be called "the golden necklace," and the coast line from Dandong to Lianyungang can be called "the silver cape." These areas are located in the most dynamic economic growth areas in Northeast Asia. Judging from China as a whole, the reinvigoration of China's economy finally depends on the economic growth of the northern part of China. From the 1990's to the next century, the economy of the areas encircling the Bohai Sea should have faster development, which will promote the reinvigoration of the economy in the northern part as a whole. Therefore, we should bring the "policies northward," i.e., "transplant" the preferential policies carried out in coastal areas in the south to the northern part of China, especially to the coastal areas in the north. We should speed up the development of resources in northern China by expanding the use of foreign investments and importing technology, speedily transform the state-owned enterprises, and help them participate in international competition. We should make full use of the superiority in the northern part of China, where scientific and technological personnel are concentrated, to actively develop products and industries of high processing, high-tech, and the high rate of foreign exchange earnings from exports. So long as we loosen our policies and release the economic potential that has been held in store for a long time, the rise of the economy in areas encircling the Bohai Sea and the northern part of China is just round the corner.

Unique Products Aid Machine-Building Industry

HK0609060093 Beijing JINGJI GUANLI in Chinese No 8, 5 Aug 93 pp 16-17

[Article by Bao Xuding (0545 0650 1353), edited by An Luming (1344 6424 2494): "Developing Unique Products Is an Important Channel for Reinvigorating the Machine-Building Industry—Enlightenment From an Investigation of the Machine-Building Industry in Anhui Province"]

[Text] Recently, we made a brief investigation of the machine-building industry of Anhui Province. It is small in scale and weak in basis, but its practice of attaching importance to developing unique and superior products merits our serious attention.

I.

Due to historical and geographical reasons, the machine-building industry of Anhui Province is quite weak, with almost no superiority, and it faces great difficulty in development. The total industrial output value realized in 1992 was 6.3 billion yuan, ranking 15th in the same trade and industry in all China. However, the machine-building industry of Anhui Province pays attention to laying emphasis on key points, choosing the best for development, and succeeds in creating its own characteristics. At present, not only have a number of superior and unique products consolidated their position in the same trade and industry, but some products have also ranked among the best. For example, their market share of fork lifts has ranked first in China since 1991, and they occupy a leading position in the same trade and industry in over ten economic and technological indexes, such as product level, quality, output, output value, profits and taxes realized, and foreign exchange earnings from exports.

The output of forging machine tools produced by importing advanced technology by the Hefei Forging Machine Tools General Plant ranks second in China, and the output of hydraulic excavators produced by the Hefei Mining Machines Plant ranks second, and stands in the front rank in the same trade and industry in quality, management level, and economic and technological indexes per capita. The sewing machine motors produced in Wuhu take the leading position in China in technology, output, domestic market share, and foreign exchange earnings from exports. The product level and the profits and taxes realized for three filtering parts produced in Bangbu (diesel oil, gasoline, and engine oil filters) all rank first in China, and the small diesel engines produced by the Quanxu Diesel Engines Plant stands in the front rank in the same trade and industry in output and performance, and occupies the largest market share. Huangshan Instrument and Meter Plant produces as many as one million motorcycle odometers, and it produced 700,000 odometers in 1992, covering one-third of the domestic market; the automobile factories in Feihe and Jianghuai will soon import advanced technology to develop high and medium-grade passenger car

chassis to fill domestic gap, thus putting an end to the situation of passenger car chassis being totally replaced by truck chassis. Moreover, large comprehensive enterprise groups, few in number yet powerful, have been set up. For instance, a diversified business pattern has been built up on a preliminary basis in Yangzi Electrical Equipment Group, which has strong contingency capability and competitive power to the market.

II.

The practice of the machine-building industry of Anhui Province in attaching importance to developing unique products and letting fly the "bird that comes forward" enables us to further understand that developing unique and superior products are important strategic steps for the machine-building industry to speed up development and achieve reinvigoration. We should initiate this mode of development with great effort and follow this approach resolutely. Judging from the situation of China's machine-building industry, we should make efforts to do good work in the following respects.

1. We should correctly understand the strategic importance of developing unique products to reinvigorating the machine-building industry. Over a long period of time, an important factor that has affected the development of the machine-building industry is serious repetition of low-level products, and similarity in industrial structure between various localities. When the market was brisk, prosperity prevailed, and when it met with fluctuation, products became unmarketable one after another. Even in readjusting the product mix, people were accustomed to pushing and squeezing on the same road, it was hard for the product mix to get optimized, and it was difficult for the whole trade and industry to create a situation of benign cycle of continuous development. To overcome this difficult problem, the fundamental way out lies in changing the following train of thought for development: Undertaking jobs all at once and attending to each and every aspect of a matter. We should be bold in giving up some trades and products, be resolutely determined to develop unique products, follow the road that we should have what others do not, and that which others have, we should have better, thereby truly building up our respective superiority. Only thus can an area or an enterprise remain invincible in fierce competition, and only thus can China's machine-building industry be built into an aggregate with characteristics and superiority.

2. We should establish unique products and develop unique trades and industries based on the requirements of a socialist market economy. In the past, adjustments of the product mix were mostly made according to plans of the higher authorities, and despite so-called unique products, there was really not much uniqueness to talk of after the "sow sesame-seeds" type overall arrangement. Therefore, when we decide on turning out certain unique products, we must follow market orientation. First, we must take a broad view in selecting unique products. We should place our vision on the requirements of the

markets at home and abroad. In developing products, besides aiming at the spheres of the state for key development, and the blank spots, shortages, and gaps of the domestic market, we should lose no time putting our eyes on developing the international market, and participating in international competition and division of labor, and accurately screen the products that have large market demand to be unique products for development. Second, to have our foothold on the base in determining unique products. Various localities should correctly understand and grasp the economic structure feature, geographical location feature, and technological superiority of their own localities, conscientiously analyze in a deep-going way the current situation of the product mix in their own localities and enterprises, developing the advantages and avoiding the disadvantages, arrange an optimum order of products, fix a number of unique products for major breakthrough, make efforts to develop superior products with local characteristics, and strive to reach China's advanced level. We should avoid blindly copying products encouraged by other localities for development, and not to follow a craze. We should guard against the emergence of new irrational duplication and new long-term projects, which would result in big rise and fall. Of course, whether the unique products selected on current basis will finally build up their superiority still have to be examined by market competition. Third, to dig up unique products from the potential market. We should step up the investigation, analysis, and forecast of the market, be good at discovering potential market demand, develop in time a number of unique products with potential superiority, and reinforce the strength of our own localities and enterprises to match market changes.

3. To develop characteristics, we must concentrate our efforts on level and scale, and constantly consolidate and increase the coverage of unique products in the market. The competitive strength of an enterprise in the market depends in the final analysis on the competitive power of products, and the strength of the competitive power of products is essentially an embodiment of the technological level. Therefore, various localities and enterprises must organize forces to strengthen the digestion and innovation of import technology, constantly upgrade technologically the unique products selected, heighten their grades, raise their levels, keep bringing out new technology and new products, and attach importance to the renovation and transformation of technological equipment. The crucial equipment that guarantees the quality must be up to standard, so as to ensure the processing quality of products, and gradually build up groups of unique products primarily supported by technological progress. We should build up the strengthen of input in unique products which are marked in economic scale performance, enlarge their scale and lots as soon as possible, and increase their market share. These are practices of the Yangzi Electrical Equipment Group and Hefei Fork Lifts Plant, which start displaying huge performance of economic scale.

To seize the opportune time and develop unique products, much remains to be done. For instance, it is necessary to win the support of various levels of government in policy, especially in financial, taxation, and monetary policies. Various levels of government should give correct macroeconomic guidance, and in particular should further bring into play the guidance role of information and publish in time important economic information, such as popular products catalogues, the market capacity and current capacity of important products, their capacity under construction, developing trends, and geographic distributions, so as to guide departments and regions to use funds correctly and reduce unnecessary repetition and waste. In short, various aspects should unify understanding, tightly grasp the present favorable opportune time, and make concerted efforts to cultivate and develop a number of unique products. We are convinced that so long as we have a correct train of thought and proper measures, and make unremitting efforts, there is great hope for the overall level of China's machine-building industry to enter a new stage in not too long a period of time.

Economic Official: Money Issuance To Exceed Plan

*HK0809062093 Hong Kong MING PAO in Chinese
7 Sep 93 p A10*

[Report by Wang Chien (3769 0494): "The Inflation Rate Remains at the Double Digit Level Despite Macrocontrol and Regulation; the Amount of Money Issued Is Expected To Exceed the Original Plan"]

[Text] Lai Xianxian, director of the Economic Forecast Department under the State Information Center, yesterday told this reporter that, while China has introduced a number of macrocontrol and regulatory measures since July, it will still take several quarters to gradually reduce the rapid economic growth. Therefore, it will be impossible to implement the original plan to control annual renminbi issuance under 150 billion yuan. He pointed out that the situation of price increases is now quite grim throughout the country and the annual inflation rate is expected to reach 12.5 percent (last year's inflation rate index was 5.3 percent).

Lai Xianxian continued: Experts with the State Information Center conducted a computerized analysis and forecast of the macrocontrol and regulatory measures introduced by China since July. The results indicate that, although the increase in investment in state assets will slow down slightly in the second half of this year, the annual growth will still amount to over 34 percent; in addition, these macrocontrol and regulatory measures have caused the annual industrial growth to reduce by only 0.5 percent and the light industrial growth to reduce by only 1.9 percent.

Lai Xianxian pointed out: It will take several quarters for these macrocontrol and regulatory measures to gradually reduce the rapid economic growth. In particular, the

increase in investment in state assets has considerable inertia, which is impossible to reduce in a short time. Although newly started construction projects can be controlled, suspending underway construction projects will cause heavy losses. This is very difficult to deal with.

He stressed that, because the economic growth rate remains very high, the demand for money supply has increased greatly. He added: To ensure purchasing funds for agricultural and sideline products and raise the bank provision rate to 5 percent—to fulfill these two urgent tasks alone—we have to increase money issuance by 190 billion yuan; therefore, it will be impossible to materialize the original plan of controlling money issuance under 150 billion yuan.

Lai Xianxian continued: On one hand, investment in state assets cannot be reduced by a very large margin, nor can bank credits be retrenched in an overall way; on the other, the demand for money issuance is very strong, and, therefore, inflation will remain grimmer than expected during the second half of this year throughout the country. According to the simulated forecast, this year's annual inflation rate will amount to 12.5 percent. This forecast already takes into consideration a recent State Council policy on strictly controlling commodity price increases.

He revealed that the State Council recently issued a circular clarifying that commodity prices under central and local government management must not suffer inflation this year.

Furthermore, this year the relevant department will not introduce economic reform measures that will greatly affect commodity prices, and financial subsidies arranged by the government for price control cannot be reduced.

Data Base of Industrial Enterprises Begins Operating

*OW0709235393 Beijing XINHUA in English 1521
GMT 7 Sep 93*

[Text] Beijing, September 7 (XINHUA)—A data base for China's more than 400,000 industrial enterprises, set up here recently, started to operate today.

The data base, run by the All China Marketing Research Company of the China Statistical Information and Consultancy Service Center under the State Statistical Bureau, covers basic information on industrial enterprise at and above rural and township level.

The company's general manager, Gao Yuxian, said here today that his company will check and update the base annually through its nationwide statistical network.

He said that the bank will provide a basis for decision-making both of domestic enterprises and foreign investors who are interested in investing in China.

According to him, the enterprises of all China's present 537 industries are included in the bank. For each enterprise, 18 closely related topics are covered, including the enterprise's scale, total sales value, fixed assets, floating capital and business scope.

'Shanghai Securities' Newspaper To Expand Coverage

OW0409040093 Beijing XINHUA in English 0213
GMT 4 Sep 93

[Text] Shanghai, September 4 (XINHUA)—"SHANGHAI SECURITIES", China's first nationwide newspaper covering its fledgling securities sector, will be expanded to eight pages and be published five days a week from next month.

The newspaper, originally a two-pager launched July 1, 1991, is now published Tuesdays, Thursdays and Saturdays.

Its circulation has increased from 130,000 at the beginning of this year to 350,000 and is still on the rise.

The expanded "SHANGHAI SECURITIES" will cover financial information abroad as well as at home.

It is jointly sponsored by the Shanghai Stock Exchange and the Shanghai Branch of the XINHUA NEWS AGENCY.

So far, China has two stock exchanges. The other is in Shenzhen.

CAAC Seeks 'Massive' Price Rise, Industry Reforms

HK0809050893 Hong Kong THE STANDARD in English 8 Sep 93 p 1

[“Exclusive” report by Cary Huang]

[Text] China's state-run airlines hope to introduce a massive price rise in an effort to improve services.

In a report to the State Council—the nation's cabinet—the Civil Aviation Administration of China (CAAC) has proposed a package of reforms to restructure the airline industry, which has earned a worldwide reputation for being unsafe and frequently late.

The proposals aim to turn the state-run aviation firms into commercial airlines competitive in the international market, Beijing sources say.

In its report, CAAC blames the poor airline services on the unreasonably low prices set by the state.

It also cites a shortage of air traffic controllers to handle the explosion in traffic volume as another impediment to improved service.

CAAC says it is crucial to allow the airline companies to increase funds to improve service and raise safety standards.

It warns that if China's airlines fail to find more funds they will face bankruptcy or a sharp decline in standards.

The report says that airlines under the CAAC umbrella had a total deficit of about 14 billion yuan (HK\$18.2 billion).

It suggests that the State Council establish a national fund for civil aviation construction and development to support the industry's long-term development. It also demands further funding from the state coffers.

A Beijing source said the report called for airlines to be allowed to make regular adjustments to ticket prices to cover running costs under guidelines established by the central government.

The CAAC demand for price rises contradicts Beijing's recent efforts to rein in runaway inflation. At the weekend the State Council announced a freeze on all price reforms until next year.

The source said Beijing was unlikely to endorse the price increase at the moment. However, it would probably approve the whole reform package and relax price controls once inflation was controlled.

State Council Approves Handan-Jinan Railway

OW0409035993 Beijing XINHUA in English 0153
GMT 4 Sep 93

[Text] Jinan, September 4 (XINHUA)—The State Council, China's highest governing body, has approved the building of a railway line from Handan city in north China's Hebei Province to Jinan, capital of Shandong Province in the east.

A feasibility study report was approved in principle here this week, according to official sources.

The line, with an estimated investment surpassing 1.5 billion yuan (about 260 million U.S. dollars), will be 234 km long and have a yearly transportation capacity of 20 million tons.

The Ministry of Railways and Hebei and Shandong Provinces will jointly fund the project, which is aimed at transporting coal produced in Shanxi Province, a western neighbor of Hebei.

Shanxi is the country's largest coal producer, but a shortage of transportation capacity has hindered the province's coal industry, and thus had a negative effect on the country's economy as a whole.

China's power industry mostly depends on coal, and in the past few years developed areas of the country, especially coastal areas, have suffered a severe shortage of energy.

Also, due to lack of transportation facilities, coal prices in coastal areas are much higher than in inland areas.

Central-South Region

Guangzhou Mayor Pledges To Keep Inflation to 20%

HK0409040693 Hong Kong SOUTH CHINA
MORNING POST in English 4 Sep 93 p 8

[Report by Daniel Kwan]

[Text] Guangzhou Mayor Li Ziliu vowed yesterday to keep inflation down in the southern China city to about 20 per cent this year—a significant reduction from the 35.8 per cent recorded by the State Statistical Bureau two months ago. But Mr Li pointed out that even if the plan was successful, it would still be three percentage points above the 17 per cent ceiling set by the Government early this year.

The mayor said the rapid price jumps had already affected the livelihood of the city's pensioners but claimed most people were able to keep up with the increases. He stressed that the city would not slow its economic development to artificially suppress price rises, and all investment projects would continue as planned.

"We will be more prudent in approving new investment projects but none of the approved ones will be curtailed as a result of the macroeconomic adjustment programme (launched by the Central Government)," he said.

Mr Li was officiating at a real estate exhibition in Hong Kong yesterday. He said an abundant supply of commodities was the key to lowering inflation. The Government would not only ensure an adequate supply of daily consumer goods, such as food, but also stock up on commodities to serve as a buffer against unexpected market price hikes, he said.

"It is true that we have achieved a 30 per cent economic growth rate in (a seven-month period), but inflation still has its impact on people such as pensioners," Mr Li said. "This will have to be addressed through our social insurance system and sharing of the burden...and through (economic) fine-tuning by the Government. We hope to establish some sort of a linkage between people's living standards and inflation," he said.

Meanwhile, Mr Li denied his Government was lukewarm about its anti-corruption drive. He said a government must show its commitment in fighting corruption to have "any credibility" among its people. While the majority of cadres in Guangzhou were "honest and clean", the mayor believed it was necessary to expose a few major cases of corruption.

He said that Guangzhou was negotiating with Beijing to allow the city higher salary standards for its government cadres compared to those set for other parts of the country.

Shenzhen Cuts Capital Construction Investment

HK0509064093 Beijing XINHUA Hong Kong Service in Chinese 2105 GMT 28 Aug 93

[By reporter Chen Anming (7115 1489 2494)]

[Text] Shenzhen, 29 Aug (XINHUA)—Recently, Shenzhen has comprehensively put in order key construction projects and projects whose construction has just started, and a number of projects which do not conform to the industrial policy or whose funds are not definitely available have been asked to stop or suspend their construction in a bid to cut investment. Capital construction investment amounting to 1.5 billion yuan has thus been cut.

Shenzhen had planned to start the construction of 602 projects in 1993. In view of problems such as the irrational investment structure and funds which are not definitely available, Shenzhen has stopped or suspended, in a bid to cut investment, the construction of projects which do not conform to the industrial policy; projects whose source of funds are not definitely available or which do not meet the state's requirements; projects whose construction conditions are not available, whose supporting conditions are not available, or whose market prospects are not clear; and in particular, projects of office buildings, holiday resorts, golf courses, and film studios.

Zhuhai Officials Sign 38 Contracts in Hong Kong

HK0509062493 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1153 GMT 27 Aug 93

[By Zhong Miaofa (6945 8693 4099)]

[Text] Hong Kong, 27 Aug (ZHONGGUO TONGXUN SHE)—Zhong Huasheng, who is in charge of the development zone in Zhuhai for industries using high and new technology, told this reporter today that during the five-day business fair held by the development zone in Hong Kong, the development zone signed 38 agreements, contracts, and intention agreements with investors, with total investment amounting to \$280 million. Of the total projects, eight represent an investment of \$10 million each. The development zone also established ties with companies in the United States, Canada, France, Japan, the ROK, Hong Kong, Macao, and Taiwan to lay a foundation for closer and more extensive cooperation in the future.

Zhong Huasheng said: In developing the economy, Zhuhai has focused on developing industries using high and new technology. The area dedicated to the development of industries using new and high technologies west of Zhuhai City has a strong appeal to foreign investors, because it has a big airport, a big port, high-speed rail lines, highways, a large number of science and technology workers, and complete support facilities, as well as offering preferential treatment to investors.

Guangxi Issues Circular on Improving Journalistic Ethics

HK0609043493 Nanning Guangxi People's Radio
Network in Mandarin 1130 GMT 27 Aug 93

[Excerpts] In order to earnestly implement the circular, jointly issued by the Central Propaganda Department and the China Press and Publication Administration, on strengthening journalistic ethics and banning compensated news coverage, and safeguard the principle of party spirit and credit, the Guangxi Radio and Television Department formulated, printed, and distributed on 24 August the circular entitled *Several Points on Strengthening Journalistic Ethics and Banning Compensated News Coverage*, calling on the cadres and staff members of the radio and television units throughout the region to check compensated news coverage and the unhealthy tendency of abusing broadcasting to seek private gain with great determination and courage.

The circular says: First, radio and television are organs of the party, government, and people. As a bridge for the party and government to maintain ties with the masses, they exert a great influence on the building of socialist material and spiritual civilization. Guangxi's radio and television staff members must toe the line of the central authorities politically, ideologically, organizationally, and in discipline. They should consciously abide by the constitution, laws, regulations, propaganda discipline, and political discipline and carry out publicity strictly in accordance with the party's line, principles, and policies. [passage omitted]

Second, under the leadership of the regional party committee and government and the Radio, Film, and Television Administration, Guangxi, in its radio, television, and journalism, has implemented the line, principles, and policies since the Third Plenary Session of the 11th CPC Central Committee, correctly handled the relations between socialist material and spiritual civilization focused on the central task of economic construction, created a fine media environment and social mood for Guangxi's reform and opening up, and promoted economic construction and social progress. [passage omitted]

Third, the radio and television departments at all levels throughout the region should regard strengthening journalistic ethics and banning compensated news coverage as a major task, and seriously study, publicize, and implement the circular jointly issued by the Central Propaganda Department and the China Press and Publication Administration. [passage omitted] They should ensure compliance with the following: Do not substitute one's own views for the party's policies and do not use the means of propaganda under one's control to carry news that runs counter to the stipulations of the central authorities and regional government; do not demand charges for carrying news or advertisements in disguised form, while relevant stipulations should be followed, formalities gone through, and contracts fulfilled in presenting programs or bulletin boards jointly with social

organizations, and incomes obtained should all be deposited in the unit's accounts and it is impermissible to abuse broadcasting to seek private gain; do not use contribution of articles, coverage, film shooting, production, scrutinizing, or other conditions to demand payments from other units; do not accept money or negotiable securities offered by units involved in news reports and never using the party's propaganda organs to engage in money-power matters; do not use the excuse of trial listening or previewing to demand or accept charges; do not allow editors and reporters to use their capacities to attract advertisement business and receive commissions; do not use public places without authorization to do private work and gain benefits; do not allow cadres and staff members of radio and television units to engage in part-time jobs during public holidays, which may encroach upon the interests of the units.

Fourth, correctly draw a line of demarcation between radio and television news and information, between compensated news and compensated information services, between compensated news and social sponsoring (including jointly run billboards and programs), between compensated news and advertisements, and between editors and reporters and operational staff; strictly implement the financial management system; strengthen organizational supervision; and curb the unhealthy tendency of abusing broadcasting for personal gain.

Fifth, strengthen party leadership over journalistic ethics and the banning of compensated news coverage. The principal leaders of the radio and television departments at all levels should personally take a hand in the matter and set an example.

The stipulations also requested Guangxi People's Radio and Television to set up a discipline inspection office, which will serve as an organ of the discipline inspection commission and strengthen supervision over radio and television. [passage omitted]

Commentary on Compensated News Coverage

HK0609043693 Nanning Guangxi People's Radio
Network in Mandarin 1130 GMT 27 Aug 93

[Station commentary: "The Whole Society Should Check the Practice of Compensated News Coverage"]

[Text] We have just now heard the new stipulations formulated by the Guangxi Radio and Television Department to implement the circular *Strengthening Journalistic Ethics and Banning Compensated News Coverage*, of the Central Propaganda Department and the China Press and Publication Administration. The stipulations clearly stated the "eight do nots." They manifest the determination and attitude of the regional radio and television workers. We staff members of Guangxi Radio and Television are willing to make concerted efforts with journalists and personages from all walks of life to improve journalistic ethics and ban the practice of compensated news coverage.

As the term suggests, compensated news coverage means demanding payment from the persons or units involved in reports and collecting charges from them. Such compensated news is not true news because it is backed by money. As the saying goes, you become softhearted when you receive things from others. Such reports usually go against the principle of reporting the truth, and intentionally present false news, or at least exaggerated news. This is intolerable to proletarian journalists. Our news refers to true, accurate, objective, and just news. Herein lies the strength of the proletariat. Because truthfulness is the life of news. Our reports have won popular trust simply because they speak the truth and express the facts. Objectivity is the basic principle to be followed in news coverage. It means that the content should reflect the facts, the form should objectively describe the figures or units concerned, and selection should be focused on the more valuable news. Justness is the basic attitude in news coverage. It urges news coverage to be based on the standpoint of the party and the people, which can never be deviated from. However, compensated news goes against the basic principles and attitudes of news in these respects. Compensated news is determined by the amount of benefits and gifts, and controlled by money. It confuses the line of demarcation between the self-publicity of advertisements and objective reporting of news, apparently speaking on behalf of the units reported on and even reporting bad things as good things. For this reason, compensated news is intolerable to journalists as well as to the party and the people.

In recent years, cases of compensated news have occurred every now and then, including some editorial staff taking part in press briefings accepting gifts. Some regard writing as a means of trading, accepting money or gifts from those they are writing for. The reasons for compensated news are complicated. Objectively speaking, we are now in a period in which the planned system is effecting a transition to a socialist market economic system, so the laws and regulations are still imperfect. There are still a lot of weak links and loopholes in work and management. Meanwhile, some enterprises and managers also intend to expand their fame through the media. As a result, they try by every means to present gifts and money to press agencies or reporters. Subjectively speaking, some reporters are influenced by money worship, hedonism, and out-and-out individualism. To make as much money as possible, they forsake their professional ethics. Some believe that under a market economy, it should be permissible for reporters, who have relatively low incomes, to get some compensation for their news coverage. As a matter of fact, this runs counter to the requirements of a market economy.

Although compensated news is limited in Guangxi's press circles, its influence is adverse. It causes the ranks of reporters and journalists to degenerate, undermines the reputation of the press, affects the nature of socialist journalism, disrupts the establishment of a new order of socialist market economy, and damages the image and prestige of the party. This is intolerable to our journalists and all the people. Elimination of compensated news is not the task of the press circles only. It is also the task of society as a whole.

We sincerely hope that the entire society will make efforts in this regard. Here we would like to solemnly declare that Guangxi People's Radio and its affiliated units will ban compensated news and will never abuse broadcasting to seek gain. We are willing to accept supervision by society.

Henan Governor Addresses Agriculture Conference

HK0609050093 Zhengzhou Henan People's Radio
Network in Mandarin 1030 GMT 27 Aug 93

[Excerpt] The provincial agricultural work meeting concluded yesterday. Song Zhaosu, deputy secretary of the provincial party committee, presided over yesterday's meeting. Ma Zhongchen, deputy secretary and provincial governor, made an important speech. Vice Governor Li Chengyu read the provincial government's decision on commending advanced units in the production of summer grain in 1993.

Governor Ma Zhongchen emphasized in his speech that in order to ensure steady agricultural development over an extensive period in this province, leaders at all levels must adapt themselves to the new trend of rural economy, change their conventional mental approach and art of leadership, guide the operation of agriculture and rural work with the concept of market economy, and further emancipate the mind and deepen reform so as to usher agriculture and peasants into the market.

At present, the principal contradiction in rural areas is the development of the productive forces and increase of peasants' income, so that the peasants' living standard may reach the level of moderate prosperity as soon as possible. It is necessary, under the precondition of continued strengthening of agriculture, to vigorously develop nonagricultural industries according to market needs and form the new prospect of all roads leading to prosperity.

When speaking on strengthening the leadership over rural work and further improving the art of leadership, Ma Zhongchen emphasized: Correctly analyzing and appraising the level of productive forces and comprehensive production capacity in rural areas at present is the primary basis on which we proceed to make our policies. In terms of guidance for rural work, we must take account of the interests of the overwhelming majority of the masses and the actual conditions of each locality, seize the principal contradiction, highlight the focus of work, and refrain from blind emulation. It is necessary to consider official achievements and the reality together and appraise cadres correctly.

Because the conditions in various localities are different—as are modes of production, lifestyles, and customs and habits—in the course of achieving moderate prosperity it is necessary, not to impose uniformity or to [words indistinct] quantify quotas. It is necessary to further change the work style, make a point of protecting the enthusiasm of the majority of cadres, and handle well the relationship between cadres and the masses. [passage omitted]

Official Reiterates Position on Reunification

OW0309144293 Beijing XINHUA in English 1417
GMT 3 Sep 93

[Text] Beijing, September 3 (XINHUA)—“Certain people in Taiwan will never succeed in their attempt to split the country, for territorial integrity is a sacred right of any sovereign state.”

This was stated by Jiang Dianming, head of the institute of Taiwan Studies of the Chinese Academy of Social Sciences, in an interview with XINHUA here today.

Jiang said that the forces who trumpet “Taiwan independence” are swelling on the island province. Some figures among the Taiwan authorities even brazenly pursue policies such as “two Chinas” or “one China, one Taiwan”, which, he said, harm the interests of the whole Chinese nation.

“At a time when some secessionists in Taiwan are seeking international help, China’s white paper on the Taiwan question once again reiterates the principled stand of the Chinese Government on this question and the reunification of China,” stated Jiang, adding that “the issuing of the white paper is not only conducive to ensuring a correct understanding of historical facts, but will also help the whole Chinese people, including the Taiwan compatriots, reach common understanding on the problem of reunification.”

He went on: “there is no arguing about the fact that Taiwan is an inalienable part of China. The emergence of the problem is due to the fact that some international forces are unwilling to see a reunified China, and their interference has encouraged the secessionists who have always been trying to sever Taiwan from China.”

Jiang said that there is no country in the world which can tolerate “two governments in one country” or “two governments sharing one sovereignty”, as clamored for by some people in Taiwan.

“If the Kuomintang, which rules Taiwan, is really committed to the reunification of China, it should take a clear-cut stand on the problem and take practical and effective measures to boost reunification,” Jiang said, stressing that reunification is the common wish of all the Chinese people on both sides of the Taiwan straits.

Reaction to, Comment on ‘White Paper’ Noted

RCCK Officials Air Views at Forum

OW0309041793 Beijing XINHUA Domestic Service in Chinese 1222 GMT 1 Sep 93

[By correspondents Fang Jin (2455 3866) Chen Jianshan (7115 1696 1475)]

[Text] Beijing, 1 September (XINHUA)—The Revolutionary Committee of the Chinese Kuomintang [RCCK]

and the China Council for Promoting Peaceful Reunification [CCPPR] today jointly held a forum on the white paper entitled “The Taiwan Question and the Reunification of China.” Some 40 participants glowingly aired their views.

Peng Qingyuan, executive vice chairman of the RCCK Central Committee and vice chairman of the CCPPR, presided over the meeting. He said: The white paper has elaborated on the origin of the Taiwan question, and has fully and systematically expounded the central authorities’ basic position regarding settlement of the Taiwan question. The issuing of the white paper will play a practical role in promoting the settlement of the Taiwan question. He added: Hong Kong and Macao will soon return to the motherland; therefore, the Taiwan question becomes ever conspicuous. The peaceful reunification of the motherland is the inevitable historic development. The Taiwan question is a matter for our nation, and the reunification of the motherland is a major concern of the Chinese people on both sides of the Taiwan Straits.

Shen Qiuwo, vice chairman of the RCCK Central Committee, expounded his views from the perspective of an international issue. He held that the white paper clearly states China’s stance on the question of Taiwan in international relations. This is a strong blow to those advocating “Taiwan Independence” in an attempt to divide China. Taiwan’s all-out effort to attempt to “return to the United Nations” is, in essence, aimed at creating a situation of “two political entities”—or “one China, one Taiwan.” However, it is out of the question for Taiwan to create such a situation. He said: The Taiwan question is a matter for the Chinese people, and its final settlement will depend on the Chinese people themselves rather than the intervention by any other country or by force.

Hu Min, vice chairman of the RCCK Central Committee, expressed his views from the historic, cultural, and international perspectives. He stated: The earliest history of Taiwan was written in Chinese. Ancient Chinese books written as early as 1,700 years ago already stated that Taiwan belonged to China, which established a local government in Taiwan in the 12th century. People on both sides of the Taiwan Strait, sharing a bitter hatred of the enemy, fought in unity against foreign brutality for centuries—for example, against the Western invasion in the 15th century and Japanese oppression after the 19th century. People on both sides of the Taiwan Straits have cultivated deep compatriotic affection through joint struggles against foreign invasion. He said: The international community has long acknowledged the fact that Taiwan belongs to China. That Taiwan is a part of Chinese territory was mentioned both in “The Cairo Declaration” and “The Potsdam Proclamation” issued after World War II.

Also speaking at today’s forum were Lin Shangyuan, vice chairman of the CCPPR; Cai Yijiang, director of the Propaganda Department of the RCCK Central Committee; and CCPPR members Wang Xijue, Wu Xiangen,

Chen Wenshu, and Shang Chuandao. They held: There is no doubt Taiwan is an inalienable part of China, and those advocates of Taiwan's independence and separation from China will be condemned as sinners through the ages.

Taiwan Affairs Office Spokesman Cited

OW0409002593 Beijing XINHUA in English 1457
GMT 3 Sep 93

[Text] Beijing, September 3 (XINHUA)—Spokesman for the Taiwan Affairs Office of the State Council Li Qingzhou today commented on the Chinese Government's white paper titled, "The Taiwan Question and the Reunification of China".

The document was jointly published by the Taiwan Affairs Office and the Information Office of the State Council August 31.

Li said that the white paper clarifies the origin and status quo of the Taiwan issue, and the solution to the issue.

It is an important document of the Chinese Government concerning the solution of the Taiwan issue and a program on which to realize the reunification of the country. It will also help international community to understand the issue, Li noted.

He said the publishing of the white paper is of major importance and will have a profound historical significance.

The white paper carries full and accurate historical facts to testify that Taiwan has been an inseparable part of Chinese territory since ancient times, Li said. He added that this is a strong refutation of various fallacies about the "independence of Taiwan".

Li noted that the white paper reiterates the Chinese Government's principles of "peaceful reunification and 'one country, two systems' on the Taiwan issue. This shows that the Chinese Government has been standing for the interests and the future of the whole nation, pays respects to history and reality and keeps to the principle of seeking truth from facts.

The white paper fully affirmed that the relations across the Taiwan Straits have been remarkably improved in recent years and the economic co-operation and exchanges in other fields between the two sides of the Straits have been consistently expanded.

This is attributed to the implementation of correct Taiwan policies by the Chinese Government on the one hand and, on the other, it is a direct result of the joint efforts made by the compatriots on the two sides of the Straits, the spokesman said.

Li noted that the Taiwan authorities have also adjusted their mainland policies over the past few years through adopting certain relaxation measures, which he said are welcomed.

He expressed his hope that the Taiwan authorities would remove various obstacles they have imposed as soon as possible so as to benefit the further development of the economic co-operation and exchanges in other fields between the two sides.

Li urged the Taiwan authorities to accept the repeated appeals by the mainland side to hold talks as early as possible on the ending of the status of hostility and the gradual realization of peaceful reunification.

The white paper specially points out that the demand by the Taiwan compatriots to be the host on the administration of Taiwan is fair, reasonable and justified, he said.

The Chinese Government does not object to Taiwan having economic and cultural exchanges with foreign countries, in order to safeguard the state sovereignty and in consideration of the needs of Taiwan's economic development and the actual interests of the Taiwan compatriots, the spokesman remarked.

He stressed that after the reunification of China, the Taiwan compatriots will join people from other parts of the country to enjoy the dignity and honor of their great motherland.

"We believe that the above stance of the Chinese Government will surely be understood and embraced by the Taiwan compatriots," Li said.

Taiwan's UN Bid Rejected

OW0409142593 Beijing XINHUA in English 1417
GMT 4 Sep 93

[Text] Beijing, September 4 (XINHUA)—"The Taiwan authorities will never succeed in their attempt to 'return to the United Nations' and the Taiwan compatriots will never enjoy real national dignity until the whole country is reunified."

This is the common opinion voiced by Taiwan compatriots here today. They were attending a forum on the white paper co-sponsored by the Taiwan Democratic Self-Government League (TDSGL) and All-China Federation of Taiwan Compatriots (ACFTC).

"The proposal for Taiwan's re-entry is in effect a maneuver to split the country, and it is utterly out of the question," said Cai Zimin, chairman of the TDSGL, at the forum.

Cai said that some elements among the Taiwan authorities have been clamoring for "two political entities on a reciprocal basis", adding that their ulterior aim to detach Taiwan from China.

"It is painful to face the situation in which Taiwan is separated from the Chinese mainland—a situation which causes a great deal of suffering to the Chinese people on both sides of the Taiwan straits," stated Guo Pingtan, deputy director of the All-China Federation of Taiwan Compatriots.

Guo said that it is common knowledge that Taiwan is an inalienable part of China, as a large number of historical records and annals testify. In addition, it is well known all over the world that the United Nations is an inter-governmental organization composed only of sovereign states.

"It is a vain attempt for the Taiwan authorities to try to return to the United Nations," said Guo, stressing that "this attempt is devoid of any legal or practical basis, and runs counter to the aspirations of all Chinese people."

The Taiwan compatriots present at the forum expressed the view that the policy of "one country, two systems" as advocated by the Chinese Government is a great creation conducive to the welfare of both the mainland and Taiwan Province.

They said that the Chinese Government has taken full account of the status quo on Taiwan and lets Taiwan enjoy a high degree of autonomy. It also lets it maintain capitalism on the premise of national reunification.

They said they are convinced that once the whole country is reunified economic and scientific complementary between the mainland and Taiwan can be tapped to the optimum degree and "a strong and prosperous Chinese nation will surely emerge as a result."

The Taiwan compatriots urged the Taiwan authorities to take the interests of the whole Chinese nation into account and earnestly consider the policy of "one country, two systems" offered by the central government so as to pave way for the reunification of the motherland.

Reportage on ARATS-SEF Working-Level Talks

ARATS' Tang Shubei Comments

OW0709105493 Beijing XINHUA Domestic Service in Chinese 1504 GMT 2 Sep 93

[By reporters Sun Chengbin (1327 2110 2430) and Chen Jianshan (7115 1696 1475)]

[Text] Beijing, 2 Sep (XINHUA)—Tang Shubei, executive vice chairman of the Association for Relations Across the Taiwan Strait [ARATS], said today: The just concluded working-level negotiations between ARATS and Taiwan's Strait Exchange Foundation [SEF] have satisfactorily reached the desired goal, and the holding of negotiations as scheduled reveals the hard-working spirit of both organizations in conscientiously implementing the agreement on the "Wang-Ku meeting."

Tang Shubei made the above comments in an interview with reporters after meeting with Xu Huiyou [Hsu Hui-you], deputy secretary general of SEF, and his party this afternoon.

From 30 August to 1 September, ARATS Deputy Secretary General Sun Yafu and SEF Deputy Secretary General Xu Huiyou held the first round of working-level

negotiations since the "Wang-Ku meeting." During two and a half days, both sides extensively exchanged views on all-around implementation of the relevant "Wang-Ku meeting" agreement, on concrete arrangements for the five upcoming rounds of negotiations to be held this year, and on how to conduct as early as possible negotiations regarding economic and science and technology issues laid down in the agreement.

Tang Shubei pointed out: According to the provisions of the "Wang-Ku Meeting" agreement, the deputy secretary generals of the two organizations are to meet every three months. The agreement went into effect 29 May and Mr. Xu Huiyou and his party arrived in Beijing on 28 August. This shows the serious attitude of both sides in carrying out the agreement, and the holding of the current negotiations itself indicates that the agreement is being implemented.

Tang Shubei said: The two organizations have communicated with each other many times on the agenda for the current negotiations through cables and mail. ARATS favors an overall arrangement for implementing the various negotiation items provided for by the agreement; while SEF proposed that both sides hold talks on two specific issues—"the repatriation of people entering into each other's areas in violation of the regulations and relevant issues" and "mutual assistance between judicial organs of the two sides." The two sides eventually reached a consensus: Both sides should listen to each other's opinions on relevant issues; the time for negotiations is two days and can be extended if necessary; and the two sides agree to conduct substantive discussions on the question of "facilitating entry and exit of two organizations' working personnel." During the negotiations, ARATS acquired a better understanding about SEF's specific views on the two issues, while SEF also understood ARATS' concrete ideas on the overall implementation of the "Wang-Ku meeting" agreement. The negotiations have successfully reached the desired goal. This represents a very good beginning and will be a great help for further negotiations in the future.

Tang Shubei said: The mainland always advocates enhancing cross-strait economic and technological exchanges, a new aspect in the four agreements reached in the "Wang-Ku meeting." Everybody has noticed that Mr. Li Denghui [Li Teng-hui] mentioned that the mainland can serve as the hinterland for Taiwan's economy. Mr. Gu Zhenfu [Gu Chen-fu] also mentioned that the protection of Taiwan businessmen's investment is of "extreme importance," on which the two organizations "should reach an agreement through consultations"; that cross-strait cooperation in science and technology "should be earnestly discussed"; and that the joint exploration of energy and resources "merits studying." Tang Shubei pointed out: Only when we include the economic and science and technology issues on the agenda, in addition to conducting negotiations on the five issues, can we comprehensively reflect the new spirit of the "Wang-Ku meeting" agreement. We do not at all

mean to sideline negotiations on the five issues, and we hope SEF will seriously consider ARATS' opinions.

According to Tang Shubei, ARATS has already suggested to SEF that further negotiations on "the repatriation of people entering each other's areas in violation of the regulations and relevant issues," "the contact and assistance between relevant courts of the two sides" (or handling of marine fishery disputes between the two sides of the Strait), and "the rights and interests of Taiwan investors on the mainland and other related issues" in Beijing or other places in late September. ARATS expects that the next round of negotiations will be successful.

XINHUA Commentary on Talks

OW0509041593 Beijing XINHUA Domestic Service in Chinese 1236 GMT 3 Sep 93

[Commentary by RENMIN RIBAO reporters Tao Shian (7118 0013 1344) and Zheng Hongfan (6774 1347 5400) and XINHUA reporter Sun Chengbin (1327 2110 2430): "For Comprehensively Implementing the 'Wang-Ku Meeting' Guidelines"]

[Text] Beijing, 3 Sep (XINHUA)—The working-level talks between the Association for Relations Across the Taiwan Strait [ARATS] and Taiwan's Strait Exchange Foundation [SEF] on implementing the relevant agreements reached during the "Wang-Ku meeting" ended in Beijing a few days ago. It was the first working-level meeting between the ARATS and the SEF since the "Wang-Ku meeting." By holding the talks on schedule, the ARATS and the SEF demonstrated their spirit to earnestly implement the agreements reached between them.

During the two and one-half days of meeting, the ARATS, in a spirit of respecting each other and negotiating on an equal footing, had a frank and full exchange of views with the SEF on comprehensively implementing the agreements reached during the "Wang-Ku meeting" and on holding talks in five areas scheduled for this year and talks related to economic and scientific and technological exchanges. The two sides earnestly listened to the other side's views on specific issues, completed the proposed agenda, and reached common understanding in certain areas, thus paving the way for future talks.

Talks between the ARATS and the SEF were provided for in the "general agreement in the Wang-Ku talks." To earnestly, effectively, and comprehensively implement the agreement, the ARATS and the SEF must draw up an overall plan through consultation. During the current talks, the ARATS proposed "timetables for talks provided for in the 'general agreement in Wang-Ku talks.'" Its purpose is to begin in an orderly way talks provided for in the general agreement, after reaching a common understanding with the SEF. However, except for presenting a "list of topics for continued discussions," which did not have specific timetables, SEF failed to come up with specific dates for various talks. Instead, it

proposed to begin talks on five administrative matters first. It proposed to discuss right away "repatriation of the personages intruding into the areas of the other side and the relevant issues" and "the contact and cooperation between courts of the two sides"; to consider talks on economic matters after results are obtained on the first two topics; and to restudy the arrangement on the science and technology issue.

We believe that all the topics provided for in the general agreement should be discussed. While they may be discussed according to a given order, there should be no difference in importance; even less should there be artificial division into categories of precedence. The general agreement does not stipulate that results must be achieved on a given topic before another can be discussed. If the SEF has differing views on the timetables proposed by the ARATS, it is entirely all right to put them on the table and seek a common ground through mutual consultation. This is the kind of attitude for comprehensively implementing the general agreement.

As everyone knows, an important element of the "Wang-Ku meeting" is economics. In his letter of invitation to Mr. Gu Zhenfu [Ku Chen-fu] for the meeting, Chairman Wang Daohan specifically indicated his intention "to exchange views and discuss plans on current economic development and administrative issues related to the ARATS and SEF." Economic cooperation between the two sides was a topic which took up greater length of time than any other topics and which was covered most fully during the talks. The general agreement says "both sides agree that economic exchanges between the two sides should be strengthened to complement and benefit each other," and it stipulates that economic topics should be discussed "in a given place at a given time to be determined." Holding talks on economic matters is arguably an important guideline of the "Wang-Ku meeting."

In letters and cable messages on the SEF-ARATS talks, SEF expressed the hope to solicit ARATS' opinion on early carrying out talks on economic, scientific and technological exchanges, so as to further work out plans and arrangement. When ARATS referred to the issues of economic, scientific and technological exchanges, SEF's representative, however, said that SEF wanted to make further study of scientific and technological issue and that issues related to the economy may be included in the second round of talks. As to when, where, and how to hold the next round of talks, they did not make further elaboration except for saying that it will be held after the successful conclusion of the talks on the topic of "repatriation" and on another topic. The people on both sides of the strait have come to understand the importance of cross-strait economic exchanges, and industrial and commercial circles on both sides of the strait welcome such exchanges. Since both sides consider the exchanges are in line with the important spirit of the "Wang-Ku meeting" and are of utmost importance and of urgency,

discussions should be further stepped up and there should be no postponement or shelving of the discussions.

Regarding the topics of the talks, ARATS stood for making an overall arrangement for the comprehensive implementation of agreements. As for SEF, it stood for carrying out talks on the concrete topic of "repatriation" and on another concrete topic. Through exchanging letters and cable messages, both sides reached the following consensus: both sides shall solicit opinions from each other with regard to relevant issues; talks will be held for two days and will be extended if necessary; and both sides shall conduct concrete discussions on the problem of "providing convenience for the entry and exit of ARATS-SEF work personnel." The talks were carried out exactly according to the consensus reached in letters and cable messages exchanged between ARATS and SEF. ARATS gave careful consideration to the opinions aired by SEF personnel on the two topics and strove to reach an in-depth understanding of the other side's thinking. And when on 1 September SEF representatives said they did not want to continue the talks, ARATS representatives said that ARATS stood for talks and that time for talks could be continuously extended as long as SEF representatives so wanted. Therefore, the so-called charges of ARATS' "using procedural problems to press for substantive talks" and "lack of sincerity" during the talks do not square with the facts and are also unfounded.

Chinese are people who stand by their own words. Since ARATS and SEF have said they will make joint efforts for the comprehensive implementation of the agreements reached at the "Wang-Ku meeting," it is necessary to make comprehensive arrangement for talks on various topics in an active and down-to-earth manner and push forward talks on various topics, so as not to betray the earnest trust of the compatriots on both sides of the strait. ARATS has informed SEF about its opinions on the time, place, and topics of the next talks. What will be the opinions of SEF? Compatriots on both sides of the strait share the same concern about this and all hope that SEF will make a satisfactory reply.

SEF Officials Leave for Taiwan

OW0309143993 Beijing XINHUA in English 1416
GMT 3 Sep 93

[Text] Beijing, September 3 (XINHUA)—Officials of Taiwan's Straits Exchange Foundation (SEF) left for Taiwan this afternoon after holding working talks with officials of the mainland's Association for Relations Across the Taiwan Straits (ARATS) from August 30 to September 1.

The meeting discussed the implementation of agreements reached between Wang Daohan, president of ARATS, and Ku Chen-fu, chairman of the SEF, who held a "historical meeting" in Singapore last April.

This was the first time for the two sides to meet since the "Wang-Ku meeting."

Representatives of ARATS were active in proposing timetables for talks connected with the "Wang-Ku" agreements, such as economic and technological exchanges between the two sides. However, the proposals met with no definite response from the SEF, according to sources here.

In addition, the SEF officials did not offer concrete arrangement for the questions of fighting piracy and smuggling, fishing disputes or the protection of property rights.

Sources also said officials from the ARATS gave their full attention to the views of SEF representatives about the "repatriation of the personages intruding into the areas of the other side and the relevant issues" and "the contact and cooperation between courts of the two sides."

As to enhancing ties in legal affairs, ARATS demanded that the Taiwan side repatriate the culprits in the past three hijacking cases as soon as possible.

ARATS hopes that SEF people would put forward their views on the timetables for talks related to the "Wang-Ku" agreements and continue to work for an overall fulfillment of these agreements.

Revised 'KMT Political Program Bill' Reported

HK0609123593 Beijing ZHONGGUO XINWEN SHE
in Chinese 1300 GMT 20 Aug 93

[By reporters Guo Weifeng (6753 0251 6912) and Zhou Jianmin (0719 1696 7036): "'14th Kuomintang Congress' Adopts Revised 'Kuomintang Political Platform Bill'"]

[Text] Taipei, 20 Aug (ZHONGGUO XINWEN SHE)—The seventh plenary session of the "14th Kuomintang (KMT) Congress" [as published] this morning passed the revised "KMT political program bill," which clearly states that the KMT will uphold the "one China" principle to achieve national reunification.

The political program states that it is necessary to promote benign development of across-strait relations in accordance with the schedule laid down in the "program for national reunification." It also states the necessity to uphold the "one China" policy and to oppose any attempt to split Chinese territory.

The program also stands for carrying forward Chinese culture, safeguarding moral principles, sifting and utilizing cultural assets, intensifying contacts and exchanges between the two sides of the Taiwan Strait in academic and cultural fields, and promoting diversified social development to enrich the content of Chinese culture.

As for KMT's policy toward Hong Kong and Macao, the revised political platform bill changed the wording "the KMT is opposed to any CPC measures which go against free will and the way of life of compatriots residing in Hong Kong and Macao" into "in face of the forthcoming transfer of sovereignty over Hong Kong, Macao, and

Taiwan, the KMT will take positive measures to safeguard the free will and way of life of compatriots residing in Hong Kong and Macao and to promote sustained stability and prosperity in Hong Kong and Macao. It will also enact a special law to strengthen ties between Taiwan and Hong Kong and Macao."

Taipei 'To Consolidate' Ownership Over Islands

OW0809003193 Taipei CNA in English 1423 GMT
7 Sep 93

[Text] Taipei, Sept. 7 (CNA)—Interior Minister Wu Poh-hsiung said Tuesday [7 September] that Taipei will take necessary measures to consolidate its ownership of the Tungsha Island and Taiping Island in the South China Sea.

"This will clearly tell countries in the area of the South China Sea that no conclusions would be possible if Taipei is excluded from any international conferences on the South China Sea issue," Wu said while speaking at the closing ceremony of a two-day seminar on the South China Sea.

The Tungsha Island lies in waters 220 miles southeast of Kaohsiung, while Taiping Island, the largest islet in the Spratly chain, is 700 miles southwest of Kaohsiung.

Taiwan operates a power station on the Tungshas and maintains an unknown number of soldiers on Taiping Island.

Wu said that the ROC's [Republic of China] sovereignty claims are in accordance with "historical facts and the principle of law."

Mainland China, the Philippines, Malaysia, Vietnam, and Brunei also claim full or partial sovereignty over the Spratlys, which consist of some 120 atolls and reefs.

Wu said, however, he sees none of the concerned countries resorting to force to resolve the dispute over the Spratlys for the time being.

Reportage on Break in SEF-ARATS Talks

MAC Chairman on 'Rupture'

OW0509055193 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
1 Sep 93

[From the "Hookup" program]

[Text] After learning about the rupture of the talks, Huang Kun-huei, chairman of the Executive Yuan's Mainland Affairs Council [MAC], said MAC absolutely supports the decision of Hsu Hui-you, deputy secretary general of the Straits Exchange Foundation [SEF], to return home. But he still called on Communist China to take into consideration the rights and interests of the people on both sides of the strait and solve existing problems. (Wang Hsiang-mau) reports.

[Begin recording] [(Wang)] Because of the continued failure to make progress in talks with mainland's Association for Relations Across the Taiwan Strait [ARATS], Hsu Hui-you, deputy secretary general of the SEF, who is our representative to the Beijing talks, made the decision to go home. MAC expressed its full support to Hsu Hui-you's decision. As for the problem of who should be

held responsible for the rupture of the talks, Huang Kun-huei said the people will be the judges. Huang Kun-huei said:

[Huang] We should have great patience and display our high degree of sincerity with regard to the talks. As for the problem of their unwillingness to talk, the people will be the judge.

[Wang] Huang Kun-huei still hopes that Communist China will pay attention to the needs of the people on both sides of the strait and solve problems that cause cross-strait conflicts as quickly as possible.

[Huang] Cross-strait exchanges are bound to produce some problems. If we single-mindedly go about exchanges without trying to solve existing problems, more problems will crop up. Exchange for exchange's sake will not help achieve the desired purpose of exchanges; it will even lead to conflicts and create misunderstandings between the people on both sides of the strait. Basically speaking, I am rather perplexed by their lack of eagerness to solve problems that arise following the Ku-Wang talks.

[Wang] Huang Kun-huei stressed that only with patience and sincerity can both sides genuinely solve existing problems. [end recording]

MAC on 'Lack of Sincerity'

OW0509141693 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
3 Sep 93

[From the "Hookup" program]

[Text] The first administrative talks between the two sides of strait since the Ku-Wang meeting have broken down. The Strait Exchange Foundation [SEF] representatives attending the talks have returned to Taiwan ahead of schedule. The Executive Yuan's Mainland Affairs Commission [MAC] issued a strongly worded statement on this matter. In the statement, the MAC charged: The result will have adverse effects on nongovernmental exchanges between the two sides. The Chinese Communists' lack of sincerity and capricious behavior will again arouse aversion among the people on our side, seriously hurt bilateral relations, and prevent them from advancing further. The Chinese Communist side should take full responsibility for this. Please listen to Wang Hsiang-mao's report.

[Begin recording] [Wang] In light of the breakdown of the first administrative talks between the SEF and ARATS since the Ku-Wang meeting, the MAC issued a statement on the afternoon of 3 September. The statement said: The Ku-Wang meeting was the first nongovernmental contact with positive meaning after 40 years of separation between the two sides of the strait. It was a hard-won achievement both sides should treasure. However, in the post-meeting negotiations, the Chinese Communists have shown a lack of sincerity and acted

capriciously, thereby undermining the (?trust) painstakingly established between the two sides. The Chinese Communists should take full responsibility for this. Kao Kung-lien, MAC spokesman and vice chairman, said:

[Kao] We are particularly disappointed at the lack of results [words indistinct]. We believe that the failure will adversely impact on nongovernmental exchange, trust, and interaction between the two sides. The Chinese Communist side's lack of sincerity and capricious behavior will once again arouse aversion among the people on our side, seriously hurt bilateral relations, and prevent them from advancing further. The Chinese Communist side should take full responsibility for this result.

[Wang] Vice Chairman Kao Kung-lien stressed: During the talks, the Chinese Communists never showed any sincerity. Not only did they present their arguments several times prior to the talks, they also refused to respond to our proposals during the talks. As a result, the ARATS had [words indistinct] even prior to the meeting, placing obstacles to the talks. The MAC has urged the Chinese Communists to carry out exchanges in the spirit of reason, peace, equality, and mutual benefit and not to try to maneuver for political goals in the name of consultation.

[Kao] We ardently hope that the Chinese Communist side understands that future relations between the two sides will go nowhere if they refuse to proceed in the spirit of reason, peace, equality, and mutual benefit and if they attempt to maneuver for political goals in the name of consultation.

[Wang] Vice Chairman Kao Kung-lien indicated that the talks broke down despite the fact that they had the agreement signed during the Ku-Wang meeting to serve as the basis. If 40 years of separation has created such a huge gap in interpreting the agreement written in Chinese, how can the two sides sign any agreement reached during future talks? [end recording]

SEF Official on Talks' Break

OW0709111993 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
3 Sep 93

[From the "Hookup" program]

[Text] At a meeting with Hsu Hui-you, deputy secretary general of the Strait Exchange Foundation [SEF], upon his return from talks in Peking [Beijing] on the evening of 3 September, chairman Ku Chen-fu, of the SEF board of directors, said that the talks with the Association for Relations Across the Taiwan Strait [ARATS] have only been temporarily suspended. He expressed the belief that the two organizations will renew consultations in the interests of the people on the two sides of the Strait, adding that SEF will not necessarily accept the mainland's suggestion for continuing talks in September. Following is a report filed by Wang Hsiao-mao:

[Begin recording] [Wang] According to SEF Chairman Ku Chen-fu, so far the talks between SEF and ARATS have not been ruptured, but only suspended temporarily. He said that letting officials of the two organizations cool down a bit now will be helpful to the important issues pending between the people on both sides of the Strait. This is what he said:

[Ku] Who said the talks have been ruptured? They are only suspended temporarily. This is not a rupture. Please do not regard this situation as a breakdown. Talks held previously did not necessarily turn out to be successes. There have been repeated instances of talks with the other side, which were suspended half-way [words indistinct].

[Wang] As for the question of whether or not our side will promptly respond to ARATS's request for renewing talks in late September, Ku Chen-fu said: SEF will consider the request in an all-round manner and will not necessarily comply with the other side's request, but will give top priority to our side's [words indistinct]

Talks 'Temporarily Suspended'

OW0709140893 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
4 Sep 93

[From the "Hookup" program]

[Text] The first business talks between the two sides of the Strait since the Ku-Wang [Ku Cheng-fu and Wang Tao-han (Wang Daohan)] meeting have ended earlier than scheduled without yielding concrete results. Chairman Ku Chen-fu of the Strait Exchange Foundation [SEF] board of directors indicated: The consultations cannot be termed as broken down, but can only be regarded as temporarily suspended. We should not stop promoting relevant tasks. Chairman Ku Chen-fu did not rule out the possibility of resuming the talks with the Association for Relations Across the Taiwan Strait [ARATS] at the end of September. Please listen to (Lin Hui-lin)'s report:

[Begin recording] [Lin] Because the mainland's ARATS has adamantly insisted on formulating the schedule for discussing economic topics first and has turned a deaf ear to the SEF's proposed issues—the repatriation of mainland stowaways, judicial matters, and assistance—the first business talks between the two sides of the Strait since the Ku-Wang meeting ended earlier than scheduled without yielding concrete results. On the afternoon of 3 September, SEF Chairman Ku Chen-fu indicated: There were setbacks during the previous Ku-Wang talks; however, we still have to do what must be done. He said:

[Ku] There will be setbacks in the process. For example, we signed some agreements in Singapore, but we encountered many setbacks before signing the agreements. [words indistinct] I believe we must continue with [words indistinct] There have been so many exchanges

and so many people have invested in the mainland. It is our objective that the mainland may one day [words indistinct].

[Lin] Ku Chen-fu also indicated: The temporary suspension of the talks should not have any impact on the signing of several follow-up accords. At present, the SEF and ARATS have maintained contact by mail and fax. Commenting on the ARATS proposal that the talks be resumed at the end of September, Ku Chen-fu indicated that he did not rule out the possibility. However, he said a decision cannot be made until the matter has been discussed with the Mainland Affairs Commission before making a decision. This is China Broadcasting Corporation reporter (Lin Hui-lin) reporting in Taipei. [end recording]

MAC on Talks' Resumption

OW0709141093 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
4 Sep 93

[From the "Hookup" program]

[Text] The Mainland Affairs Commission [MAC] has reservations on the resumption of consultations between the Strait Exchange Foundation [SEF] and the Association for Relations Across the Taiwan Strait [ARATS] at the end of September. MAC held: There is nothing wrong with postponing the next round of talks until the end of November since the Chinese Communists have no sincerity in implementing the agreements.

On 4 September, MAC Vice Chairman Kao Kung-lien indicated: Our side may agree in principle to the holding of talks in early September if the agenda includes the

repatriation of mainland stowaways and judicial cooperation. However, we should further study whether or not our side should continue the talks if the Chinese Communist authorities' topics of discussion go beyond the scope of adding another topic, such as opening Taiwan's market to the mainland's labor services, to the agreed agenda regarding the protection of Taiwan investments on the mainland.

Kao Kung-lien also indicated: While the talks' agenda needs to be decided through consultations, we should be more careful with scheduling the next round because the Chinese Communists' publication of the white paper has been an unfriendly gesture to us.

Meanwhile, MAC officials asked: Why should we actively respond to their proposals since the Chinese Communist authorities have displayed all sorts of unfriendly gestures, such as their lack of sincerity in implementing the agreements during the recent talks and their publication of the White Paper?

Kao Kung-lien said: According to the provisions governing SEF- ARATS liaison and talks, the secretary generals, their deputies, and other SEF and ARATS personnel may meet at the end of November. Vice Chairman Kao Kung-lien also indicated on 4 September: The Chinese Communist authorities' white paper on the Taiwan issue and the reunification of China repeatedly distorted facts and misled the people. The white paper has had an adverse impact on the development of cross-strait relations and future talks.

Kao Kung-lien said: In line with the government's policy on mainland affairs, the MAC will issue a formal written statement in the middle of September to refute the fallacy of the Chinese Communists' white paper.

Hong Kong

Editorial on U.S. Actions, Talks With UK

HK0509013093 Hong Kong TA KUNG PAO in Chinese
4 Sep 93 p 2

[Editorial: "Just See What Tactics the British Will Use"]

[Text] The 10th round of Sino-British talks begins today; three rounds of talks are to be conducted within this month.

Hong Kong residents generally hope that comparatively great progress will be made in the current round of talks, even with some breakthroughs, and that with another several rounds of talks an accord will be reached on the arrangements for the 1994-95 elections in Hong Kong.

In actual fact, that is also the Chinese side's hope. Several responsible persons of XINHUA NEWS AGENCY Hong Kong branch have recently expressed such a hope on various occasions. Its director Zhou Nan said: At all times, the Chinese side hopes that progress will be made in the talks; however, any breakthrough depends on the two sides' efforts.

What about the British side? It was reported that Chris Patten had taken advantage of his vacation and formulated the strategy for the talks with the British Government. We have no idea whether it is a strategy to promote progress or otherwise. When we consider it together with the two incidents that have recently taken place in Hong Kong and Chris Patten's attitude toward them, we find the situation to be worrying.

First, the issue of the civil service. Without consulting Hong Kong residents or negotiating with the Chinese side, the British Hong Kong Government last July hastily announced the policy of expatriate civil servants switching to local terms, which will injure the interests of local civil servants and jeopardize the stability of the rank and file of civil servants, thus arousing complaints from the broad masses of civil servants and various social organizations. Not long ago, Chris Patten ended his vacation and returned to Hong Kong. Some 100 representatives of local civil servants went to the airport and submitted to him a petition which criticized the British Hong Kong Government for neglecting people's opinions in changing the policy of localization of civil servants overnight, while demanding that the British Hong Kong Government shelve that irrational new policy. However, Chris Patten refused to meet the representatives. When the civil servants followed him to the Governor's House, Chris Patten continued to ignore them.

Second, the so-called Han Dongfang incident. Han Dongfang, who was not allowed to reenter China because his passport had been revoked by public security departments in accordance with the law on the grounds that he had conducted illegitimate activities against the Chinese Government, has been regarded as a godsend by the

British Hong Kong authorities, who "expressed concern" to the Chinese Government on several occasions, and connived with the chieftains of the "Hong Kong Alliance in Support of the Democratic Patriotic Movement in China" to take advantage of the incident to frequently start trouble. Acting Hong Kong Governor Ford has spoken in an extraordinary manner for Han Dongfang, while taking the lead in linking Han's case with Hong Kong residents' freedom to travel after 1997, thus creating confusion; and when his speech was condemned, the British Hong Kong Government issued a statement saying that Ford had "correctly" reflected the "universal anxiety" of people in society. Yesterday, the just-returned Chris Patten could not hold back what was in his mind, and hastily criticized China for "violating international law."

People cannot help posing the question: Why was Chris Patten so cold toward the representatives of some 100,000 local civil servants, who have made contributions to Hong Kong residents, while being so enthusiastic toward Han Dongfang, who has insisted on opposing the Chinese Government? The only answer is that this reflects Chris Patten's consistent way: Treating people with a double face, handling affairs with a double standard.

With Chris Patten, we do not find truth and objective criteria. In judging right or wrong regarding people and things, it all depends on their utilization value to the British side. Would the petition of local civil servants opposing expatriate civil servants switching to local terms not be violating British interests? How could Chris Patten support such a petition? As to Han Dongfang, Chris Patten believed that his case would be of great utilization value in opposing the Chinese Government, in joint efforts with the United States to add pressure to the Chinese side, and in sowing discord between Hong Kong residents and the Chinese Government, thus shaking Hong Kong residents' confidence in China. Therefore, he has spared no efforts to support Han Dongfang.

Some commentators believe that the so-called Han Dongfang incident is just a signal, a signal of the British side to add pressure to the Chinese side in the talks. There really is some truth in this.

Recently, the United States has announced economic sanctions against China, and threatened to block China's application to host the Olympic Games based on some fabricated information and irrational grounds. Taking advantage of the Han Dongfang incident, the British Hong Kong Government is making a great fuss in an attempt to incite Hong Kong residents to point the spearhead at the Chinese Government. The 10th round of Sino-British talks is to be conducted under these circumstances. Is it not worthy of our attention what action the British side will take during the Sino-British talks?

It was reported that former British Prime Minister Mrs. Thatcher made a subtle but frank statement in Singapore not long ago, saying: "Should Britain possess complete ownership of Hong Kong's land, the British Government would turn Hong Kong into an independent state like Singapore." "A mini-state like Singapore needs to rely on a powerful country to safeguard its prosperity today, and the United States is its only choice." Was it not hinting at Hong Kong's fighting for its "independence," and "relying on the United States to safeguard its prosperity"?

In a curious coincidence, an important U.S. figure came to Hong Kong to contact the leaders of the United Democrats of Hong Kong not long ago to express U.S. intentions and attempt to actively intervene in Hong Kong affairs after 1997, advocate that the United States "has certain responsibility" for the implementation of the Sino-British Joint Declaration, and threaten that the United States would add pressure to China on the issue of maintaining human rights and freedom in Hong Kong after 1997.

Is it not true that all this reflects the possibility of the United States and Britain working hand in glove to add pressure to the Chinese side? Should the British side adopt the strategy of adding pressure to the Chinese side during the current round of talks and the several rounds of talks that follow, which will lead to the retrogression of the talks, it will certainly be condemned by the 6 million Hong Kong residents, and penalized by history. We hope that such circumstances will not surface.

Commentary Says Patten 'Fanning the Flames'

HK0509065693 Hong Kong WEN WEI PO in Chinese
4 Sep 93 p 19

["Contributing Commentary" by Ni Tse (0242 3419):
"Chris Patten's Action of Fanning the Flames Is Not
Conducive to Sino-British Talks"]

[Text] Hong Kong Governor Chris Patten, after returning to Hong Kong from a holiday, gave a news conference yesterday afternoon. It so happened that this news conference was held just before the 10th round of Sino-British talks due to open today. This careful timing by Patten is obviously to create a certain pressurizing effect on the Chinese side and give the British side an advantage at the negotiation table.

At the news conference, Chris Patten first brought up three issues: One, preparing his second policy address; two, reviewing Sino-British talks on 1994/95 election arrangements; and, three, changing expatriate contract civil servants to local terms. Speaking evasively, Patten's comments on the first two issues contained some undertones.

As to the first issue, Chris Patten ordered before he left Hong Kong on holiday at the end of July that none of the contents of his policy address be disclosed to the media by the officials of the various policy departments in the

government. Sources within the Hong Kong Government said that in order to maintain the mystery of his second policy address, Chris Patten is very particular about its secrecy. Because the question-and-answer session on his policy address last year received positive feedback, the authorities are hoping that the same can be done this year and the relevant department has made arrangements for the booking of the venues, which are to be finally decided by Patten. This fully indicates that Chris Patten is going to repeat the trick he employed when presenting last year's policy address: Putting it in a black box and trotting it out in a blitz, followed by a row of big shows to make it more impressive. This is why Patten did not disclose any detail of his second policy address at yesterday's press conference.

What merits special attention is that he claimed he would discuss with political bodies and Legco members other priority policies and the progress regarding the constitutional reform objectives set in 1992. Do the so-called priority policies here include the change of expatriate contract civil servants to local terms that Patten decided to set forth in July? Does the progress regarding the constitutional reform objectives set in 1992 refer to the British Hong Kong authorities' action of implementing Patten's package in blocks (i.e. passing the "Draft Regulations on the Defining of Constituencies and Election Committee" and adopting the proposal for the merger of Yau Ma Tei-Tsimshatsui District with Mongkok District)? If Chris Patten is indeed going to advertise those two things in his second policy address and the subsequent series of big shows, that means Patten was actually asserting at the press conference that he would continue to push ahead with his constitutional proposals willfully and such stuff as the change of the expatriate contract civil servants to local terms that would completely change Hong Kong's existing systems. Before the destructive impact of Patten's first policy address on Hong Kong's social stability fades from the memory of Hong Kong people, he is now already hinting that the second policy address will obstinately advertise the Constitutional reform package presented in the first policy address and the so-called "other priority policies." The people of Hong Kong must keep a wary eye on it before it happens.

As to the second issue, Patten said the Sino-British talks on 1994/95 election arrangements should be "reviewed." The communique of the Sino-British talks made it clear that the talks are between two sovereign states, China and Britain, and the Chinese representative is Jiang Enzhu and the British representative is Robin McLaren. As governor of a British colony, what right does Chris Patten have to "review" Sino-British talks? This means Patten is still stubbornly playing the trick of the "three-legged stool" and continues to try to legitimize the British Hong Kong authorities' power to "review" and "veto" any agreements reached through Sino-British talks. The people of Hong Kong also have to be watchful about this desperate attempt to use the "three-legged stool."

As to the third issue, Chris Patten, using the trick of misrepresentation and disguised replacement of concept, called the policy of "externalization" of civil servants (i.e., change of the expatriate contract civil servants to local terms) that had been finalized by him and published by the British Hong Kong authorities as "localization," and claimed that this arrangement is conducive to Hong Kong's civil service and that this policy would be implemented with the Bill of Rights as the norm. Patten's quibble is nothing original and is cut from the same cloth as the illogical explanations given by British Hong Kong officials in the past month. The so-called civil servant localization policy, according to how all circles of society understand it and the previous practice, means that Hong Kong people of Chinese descent should be given priority in promotion to relevant government positions. It in no way means that expatriate employees, who are mostly British nationals, should continue to hold senior government positions after "taking up citizenship" in Hong Kong, so as to extend Britain's interests and influence after its colonial rule.

Patten's misrepresentation and disguised replacement of concept shows that he totally ignores the strong criticism and objection to his "new policy" from the broad ranks of local civil servants and various circles of society. Patten said that this policy will be implemented with the Bill of Rights as the norm, which exposed his attempt to override the Joint Declaration and the Basic Law with the Bill of Rights. Here, there are several points in Patten's remarks that do not hold water. First, the Bill of Rights was cooked up with great effort by the British Hong Kong Government after the Joint Declaration was signed, with a view to changing the existing systems. It is in contravention of the provision of the Joint Declaration that existing systems and laws should be changed. Therefore, it is illegitimate, and any attempt to let it override the Joint Declaration and Basic Law is futile. Second, Patten's "new policy" is aimed at extending the privileges of expatriate contract civil servants, who are mostly British nationals, and continuing to restrict and take away the rational rights and interests that local civil servants are entitled to in terms of promotion and benefits. This move is in conflict with human rights in the first place, and that Patten wielded the Bill of Rights to defend his policy serves no other purpose than ridiculing himself. Patten also explained that his new policy is only a matter of a 2.5-year contract. But the complete change of civil service policy is indeed an issue that affects and straddles 1997. Someone pointed out: The procedures involved in the change to local terms will take several months to a year and, with the 2.5-year contract, that will take us to 1997.

Obviously, the British side did not wish to see the smooth transition and transfer of power, so it deliberately changed the civil service system in the run-up to 1997 in order that the convergence required by the administrative operation of the Special Administrative Region government in 1997 would be absent, the Chinese would be unable to hold important senior positions,

and the objective that Hong Kong cannot operate normally without the British could be achieved. At the press conference, Chris Patten said in a tough tone that the policy for changing the civil service system to local terms will be implemented under the Bill of Rights, which exposed his total disregard for the strong reaction from the public or the prospect of seriously dampening local civil servants' morale and undermining the stability of the civil service contingent in order to extend the colonial rule. The untenable explanations given by Chris Patten at the news conference can by no means cover up the tricks played by the British side and what they want to achieve before they withdraw from Hong Kong.

Besides, when answering questions from reporters, Chris Patten took advantage of the opportunity and played up the Han Dongfang incident, repeating the points made by Ford and some others. He ignored the fact that the Chinese authorities concerned had been handling the case according to law, accused the Chinese side of violating the law, and, in an inflaming way, said: Though the Basic Law does specify the freedom of entry and exit for the people of Hong Kong, the question is whether the people of Hong Kong will believe this kind of freedom after the Han Dongfang incident. In the past two weeks, Hong Kong Government officials have frequently used the same trick, associating Han Dongfang's case with Hong Kong people's freedom of entry and exit. Patten's repeating this trick is enough proof that the British Hong Kong Government had planned it and maintained certain consistency of approach in misleading the people of Hong Kong by taking advantage of Han Dongfang's case. The difference is that Patten was even more blinded by the lust for gain than Ford and others. Patten believed that Han's case could serve to pressure the Chinese side, increase the bargaining chips for selling his proposals, and shift the target of discontentment caused by the change to the civil service system. Therefore, he even "called on" Hong Kong people to involve themselves in Han's case. This action of fanning the flames fully exposed Patten's true colors as a politician [zheng ke 2398 1356]. This is why distracting people's attention, causing panic, and fanning the flames became Patten's "main act" at the press conference. However, this act, which is all about calculations and blinding arrogance, will easily lead to results that run counter to what is desired and will in the end completely expose the British side's sinister intentions [xian e yong xin 7145 1921 3938 1800] in deliberately misleading the people of Hong Kong.

The press conference Chris Patten gave yesterday fully proves that he has not changed his "three violations" posture. But his escalating the Sino-British confrontations, fanning the flames to incite the people of Hong Kong, and sticking to his proposals is in total conflict with the fundamental interests of the people of Hong Kong and both China and Britain. The people of Hong Kong urge him to set store by Sino-British relations and return to the path of cooperation.

11th Round of PRC-UK Talks on Territory Opens

HK0809045293 Hong Kong AFP in English 0427 GMT
8 Sep 93

[Text] Beijing, Sept 8 (AFP)—China said Wednesday it hoped for "breakthrough progress" in talks with Britain on political reform in Hong Kong before the countries' foreign ministers meet this month. "I hope we can achieve breakthrough progress, but that requires the hard work of both sides," the Chinese negotiator, Vice Foreign Minister Jiang Enzhu, said as the 11th round of talks since April opened here.

Chinese Foreign Minister Qian Qichen and his British counterpart Douglas Hurd were to meet on the sidelines of the annual U.N. General Assembly in New York, which opens September 21. The two leaders met here two months ago and agreed to speed up the talks, but little progress has been visible in the four rounds since then. At least one more round is likely before the U.N. General Assembly opens.

The negotiations here center on Hong Governor Chris Patten's plan, rejected by Beijing, to expand the franchise for Hong Kong's last elections before 1997, when the British colony is handed over to China. "We will be able to narrow differences and achieve positive results if the two sides earnestly abide by the principles already agreed to," Jiang said. The British negotiator, Ambassador to China Robin McLaren, stressed the need to step up the pace of talks. "We now need to make the best possible use of the time remaining before our two foreign ministers meet at the end of this month," he said. "We for our part are prepared to work as hard as is necessary in order that we can make the maximum progress."

Delegates Brief Reporters

OW0809052093 Beijing XINHUA in English 0502
GMT 8 Sep 93

[Text] Beijing, September 8 (XINHUA)—The government representatives of China and Britain began their 11th round of talks here today on the arrangement for 1994/1995 elections in Hong Kong.

Jiang Enzhu, vice-minister of foreign affairs, and Robin McLaren, British ambassador to China, took part in the talks on behalf of their respective governments.

Prior to the talks, they had a brief meeting with reporters.

Jiang said the Chinese side has always taken a positive, serious and responsible attitude towards the talks and made major efforts to push forward the talks.

Before beginning talks, he said, the two sides had agreed that their talks should be based on the Sino-British Joint Declaration, the Principle of Convergence With the Basic Law for the Hong Kong Special Administrative Region and agreements and understandings reached between the two countries.

He expressed the belief that so long as these principles are strictly observed in concrete action they can find ways to mend differences and resolve the problems.

On the through-train issue, Jiang said the purpose of the whole talks is to reach an agreement on the arrangement for 1994/1995 elections in Hong Kong, so as to converge with the basic law and realize the smooth transition of power in Hong Kong in 1997.

From this sense, the entire talks are concerning the through-train issue.

McLaren told reporters that the British side will adopt a "positive" and "constructive" approach towards the talks.

Jiang also told reporters about the reason why this round of talks is taking place only two days after the previous round.

He said apart from the Sino-British talks, he also has other duties. In mid-September, he will accompany Chinese Vice-President Rong Yiren on a visit to southern Europe. So the British ambassador and he agreed that the 11th round of talks should be moved from mid-September to now.

First Day of Talks Ends

HK0809071693 Hong Kong RTHK Radio Four in
English 0500 GMT 8 Sep 93

[Text] China and Britain have resumed talks on political reform in the territory with the two sides still a long way from an agreement. The first day of a two-day session began with Britain holding firm on the through train and the Chinese side insisting on keeping to previous agreements. James Lee has been following the discussions.

[Begin recording] [Lee] Before today's talks in Beijing, each side's position appeared unchanged, with Britain's chief negotiator, Sir Robin McLaren, saying that the through train was still a central issue.

[McLaren] Unless we have a through train, unless we have clear criteria by which members of Legco [Legislative Council] elected in 1997 will be able to get on the through train and pass through to the new SAR Legislature, there is not really much point in having these discussions.

[Lee] However, his Chinese counterpart, Jiang Enzhu, said differences could be resolved if they both stuck to previous agreements. The talks are further hampered by arguments over the alleged politicization of Hong Kong civil service. Mr. Jiang explained to reporters why China leaked details of Britain's proposal for civil servants to take part in elections. He claimed that Britain wanted to make substantial changes to the civil service. However, Sir Robin disagreed. [end recording]

Joint Liaison Group To Meet in Beijing 14 Sep*HK0809110393 Hong Kong AFP in English 0924 GMT 8 Sept 93*

[Text] Hong Kong, Sept 8 (AFP)—The Sino-British Joint Liaison Group (JLG), set up to oversee Hong Kong's transition to Chinese rule in 1997, will meet next week in Beijing, the British Foreign and Commonwealth Office announced here Wednesday. In a brief statement, the office said the Sino-British JLG would hold its 27th meeting in Beijing from September 14 to 16, with Anthony Galsworthy leading the British JLG team.

The full meeting of the JLG was interrupted by a row between London and Beijing over Governor Chris Patten's proposals in October last year to broaden the electoral franchise in Hong Kong before 1997. However, separate meetings of JLG expert groups have been held in past months to resolve Hong Kong's multi-billion dollar new airport project as well as the future use of the British military garrison in the territory. Most of the meetings ended without concrete results.

The JLG meeting next week follows Wednesday's 11th round of Sino-British negotiations over Hong Kong's political reforms. The meeting will also precede talks between Chinese Foreign Minister Qian Qichen and his British counterpart Douglas Hurd at the annual U.N. General Assembly in New York, which opens September 21. The two leaders met in Beijing in June and agreed to speed up the talks, but little progress has been seen since then.

PRC Official on Civil Servants, Han Dongfang*HK0809014293 Hong Kong TA KUNG PAO in Chinese 6 Sep 93 p 2*

["Special Dispatch" from Beijing: "Qin Wenjun Says Hong Kong Civil Servants Joining Political Parties Is Detrimental to the Stability and Development of Hong Kong"]

[Text] Qin Wenjun, deputy director of the Hong Kong XINHUA Branch, said today that, should the Hong Kong civil servants be allowed to join political parties, Hong Kong's stability and development would be at stake. Qin Wenjun also accused the Hong Kong governor of making irrelevant comments on the case of Han Dongfang and of instigating the Hong Kong citizens to doubt the Basic Law.

Qin Wenjun made these remarks when he was interviewed by reporters here in Beijing today. He said that the Chinese Government firmly opposes allowing Hong Kong civil servants to join political parties.

Qin maintained that the ranks of the Hong Kong civil service have all along remained stable and professional. Should the Hong Kong civil servants be allowed to join various political parties, problems would soon crop up.

When answering a question on the Han Dongfang case raised by the reporters, Qin Wenjun noted that this case is entirely a matter for China's internal affairs, and the Hong Kong governor—or any other senior official in the Hong Kong Government—has no right to make irrelevant remarks on the subject.

Qin Wenjun reiterated that the case of Han Dongfang has no bearing on the Hong Kong citizens' freedom of entry and exit after 1997, and the two matters should not be lumped together. Only people with ulterior motives are anxious to see the two matters lumped together.

Qin Wenjun noted that the Hong Kong governor should give top priority to maintaining stability in Hong Kong rather than fomenting discord between the Hong Kong citizens and the mainland and instigating the Hong Kong citizens to doubt the Basic Law.

Government Signs Extradition Treaty With Canada*HK0709073293 Hong Kong AFP in English 0705 GMT 7 Sep 93*

[Text] Hong Kong, Sept 7 (AFP)—Hong Kong and Canada signed here Tuesday [7 September] a new agreement on the surrender of fugitive offenders that will remain in force after China's takeover of the territory in 1997. Canada, one of the biggest draws for Hong Kong migrants, is also battling a growing problem with Chinese organised crime.

The accord, setting down terms for the surrender of fugitive offenders between Canada and the territory, was signed between Alistair Asprey, security secretary, and John Higginbotham, Canadian commissioner in Hong Kong. It was the second such agreement to extend beyond 1997. The first was with Netherlands, signed in November 1992.

Asprey said Hong Kong's present arrangements for the surrender of fugitive offenders came under a scheme which was only applicable to Commonwealth countries and territories and would therefore come to an end in 1997. "That is why we are now, with the agreement of both the British and the Chinese governments, negotiating a new network of bilateral agreements on the surrender of fugitive offenders," said Asprey. "The new agreement will remain in force beyond 1997," he said. "They will help to bolster Hong Kong's reputation as a place where the rule of law prevails, which will in turn support our status as a major international centre for trade and finance."

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